

EXHIBIT 3

FILED UNDER SEAL

JOHN TAYLOR - 08/02/2018

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF MINNESOTA
3 CASE NO. 16-CV-1054 (WMW/DTS)

4 - - - - -

5 FAIR ISAAC CORPORATION, a Delaware corporation,
6 Plaintiff,
7 vs.
8 FEDERAL INSURANCE COMPANY, an Indiana corporation,
9 Defendant.

10 - - - - -

11
12 TRANSCRIPT of the stenographic notes of
13 the 30(b)(6) videotaped deposition of John Taylor in
14 the above-entitled matter, as taken by and before
15 LORRAINE B. ABATE, a Certified Court Reporter and
16 Notary Public of the State of New Jersey and
17 Registered Professional Reporter, held at the offices
18 of Regus, 55 Madison Avenue, Morristown, New Jersey,
19 on Thursday, August 2, 2018, commencing at 9:01 a.m.,
20 pursuant to Notice.

21

22

23 Job No. MP-184257

24 Pages: 1 - 116

25

JOHN TAYLOR - 08/02/2018

Pages 2..5

Page 2				Page 4			
1	A P P E A R A N C E S:			1	E X H I B I T S		
2	MERCHANT & GOULD, ESQS.			2	EXHIBIT		PAGE
3	Attorneys for the Plaintiff			3	23 Agreement and Addendum Between		
4	80 South Eighth Street			4	Chubb National Insurance Company and		
	Minneapolis, Minnesota 55402-2215			5	Chubb & Son, a Division of Federal		
	BY: ALLEN W. HINDERAKER, ESQ.			6	Insurance Company	57	
5	(612) 371-5292			7	24 Agreement and Addendums Between		
6	ahinderaker@merchantgould.com			8	Executive Risk Specialty Insurance		
7	FREDRIKSON & BYRON, P.A.			9	Company and Chubb & Son, a Division of		
8	Attorneys for the Defendant			10	Federal Insurance Company	58	
	200 South Sixth Street, Suite 4000			11	25 Agreement and Addendums Between		
9	Minneapolis, MN 55402-1425			12	Executive Risk Indemnity, Inc. and		
	BY: TERRENCE J. FLEMING, ESQ.			13	Chubb & Son, a Division of Federal		
10	(612) 492-7496			14	Insurance Company	59	
11	tfleming@fredlaw.com			15	26 Agreement and Addendum Between Great		
12	-and-			16	Northern Insurance Company and Chubb		
13	Chubb Insurance Company			17	& Son, a Division of Federal Insurance		
14	202A Halls Mill Road			18	Company	60	
	Whitehouse, NJ 08889			19	27 Agreement and Addendum Between Chubb		
	BY: KEVIN MURPHY, ESQ.			20	Insurance Company of New Jersey and		
15	(908) 903-3726			21	Chubb & Son, a Division of Federal		
	kevinmurphy@chubb.com			22	Insurance Company	61	
16				23			
17	A L S O P R E S E N T:			24			
18	James Woodward			25			
19	Marcelo Rivera, Videographer						
20							
21							
22							
23							
24							
25							

Page 3				Page 5			
1	I N D E X			1	E X H I B I T S		
2				2	EXHIBIT		PAGE
3				3	28 Service Agreement Between Chubb &		
4	WITNESS EXAMINATION BY		PAGE	4	Son, Inc. of Illinois and Federal		
5	John Taylor Mr. Hinderaker		10	5	Insurance Company	62	
6				6	29 Service Agreement and Addendum Between		
7				7	Chubb Lloyd's Insurance Company of		
8				8	Texas and Federal Insurance Company	66	
9	E X H I B I T S			9	30 Services Agreement and Addendums		
10	EXHIBIT		PAGE	10	Between Federal Insurance Company		
11	17 2014 The Chubb Corporation 10-K		16	11	and Chubb Insurance Company of Canada	67	
12	18 2014 The Chubb Corporation 10-K Excerpt		16	12	31 Service Agreement and Amendments Between		
13	19 Amendments, Pacific Indemnity Company			13	Chubb Insurance Company of Australia		
14	and Chubb & Son, a Division of Federal			14	Limited and Chubb & Son, a Division		
15	Insurance Company		49	15	Of Federal	69	
16	20 Agreement and Addendum Texas Pacific			16	32 Service Agreement and Amendment		
17	Indemnity Company and Chubb & Son, a			17	Between Federal Insurance Company and		
18	Division of Federal Insurance Company		53	18	ACE American Insurance Company	70	
19	21 Agreement and Addendums Between Vigilant			19	33 Federal Insurance Company		
20	Insurance Company and Chubb & Son, a			20	Organizational Chart	78	
21	Division of Federal Insurance Company		54	21	34 2013 Chubb Corporation Year End		
22	22 Agreement and Addendums Between Chubb			22	Statement	79	
23	Indemnity Insurance Company and Chubb			23	35 2014 Chubb Corporation Year End		
24	& Son, a Division of Federal Insurance			24	Statement	80	
25	Company		56	25	36 2016 Chubb Limited 10-K	81	

JOHN TAYLOR - 08/02/2018

Pages 6..9

Page 6				Page 8			
1	E X H I B I T S			1	MR. HINDERAKER: Sure.		
2	EXHIBIT	PAGE		2	MR. FLEMING: We have been diligently		
3	37	2016 Chubb Limited 10-K Excerpt	81	3	attempting to produce the documents that had been		
4	38	Multi-Page Document	83	4	requested. In fact, the absence of the U.K.		
5	39	2017 Chubb Limited 10-K	87	5	documents were noted in your partner, Heather		
6	40	2017 Chubb Limited 10-K Excerpt	88	6	Kliebenstein's, e-mail, of yesterday.		
7	41	2015 and 2016 Federal Insurance Company		7	MR. HINDERAKER: Sure.		
8		and its U.S. Insurance Subsidiaries		8	MR. FLEMING: And I knew we had tracked		
9		Audited Consolidated Financial		9	down the documents which had been requested, so I		
10		Statements	89, 111	10	instructed our people to get it to you as quickly as		
11	42	2016 and 2017 Federal Insurance Company		11	possible, but I understand what you're saying. We'll		
12		Combined Financial Statements	99, 111	12	attempt to accommodate you. I don't think there will		
13	43	2017 Federal Insurance Company		13	be any reason to have to come out here again to speak		
14		Annual Statement	102	14	with Mr. Taylor about that, but we can address that		
15	44	2016 Pacific Indemnity Company		15	at a later time.		
16		Annual Statement	105	16	MR. HINDERAKER: Sure. At least I know		
17	45	2016 and 2017 and Q1 2018 Chubb		17	what we are talking about in more detail. Very good.		
18		Insurance Company of Canada		18	Let's start the deposition.		
19		Consolidated Assets Documentation	107	19	THE VIDEOGRAPHER: This is the digitized		
20				20	video deposition of Mr. John Taylor in the matter of		
21				21	Fair Isaac Corp., a Delaware corporation versus		
22				22	Federal Insurance Company, an Indiana corporation.		
23				23	This deposition is being held at 55		
24				24	Madison Avenue, suite 400, Morristown, New Jersey on		
25				25	August 2nd, 2018 at approximately 9:03 a.m.		
Page 7				Page 9			
1	MR. HINDERAKER: I just want to note for			1	My name is Marcelo Rivera from Epiq and		
2	the record that last night, Federal served about 8:30			2	I am the video specialist. The court reporter is		
3	p.m. last night, central time, Federal served what			3	Lorraine Abate in association with Epiq.		
4	the e-mail said was a supplemental production of			4	All present counsel, please introduce		
5	documents. I understand from counsel that it			5	themselves for the record.		
6	includes -- I don't know if it's limited to, but it			6	MR. HINDERAKER: Allen Hinderaker from		
7	includes U.K. financial information.			7	Merchant & Gould on behalf of the plaintiff, Fair		
8	As a consequence, I'm going to leave the			8	Isaac Corporation. And James Woodward of -- in-house		
9	deposition open at the end of the day. Obviously I			9	counsel from FICO.		
10	haven't had a chance to look at the documents, so the			10	MR. FLEMING: Terry Fleming of the		
11	significance of this deposition is unknown, actually.			11	Frederickson law firm, and Kevin Murphy, general		
12	Although, I mean, we'll be talking about the Canadian			12	counsel office of Chubb representing Federal.		
13	financial records that were produced and I assume I			13	THE VIDEOGRAPHER: Will the court		
14	would have been talking about U.K. as well.			14	reporter please swear in the witness.		
15	I have no more interest in coming back			15	J O H N T A Y L O R,		
16	to Morristown and having a continuation of the			16	Having been first duly sworn by a Notary		
17	deposition than anybody else does, but -- so			17	Public of the State of New Jersey, was		
18	consequently, perhaps the parties can find another			18	examined and testified as follows:		
19	way to address the issue. But until I have a chance			19	MR. FLEMING: Allen, one final thing.		
20	to look at that, until we have a chance to see what			20	As I did yesterday, I noted we had not designated		
21	other ways there are to address the issue, I'm just			21	specifically the topics that each of our Rule 30(b)6		
22	noting that I won't be closing out my examination			22	deponents that would be testifying about.		
23	today.			23	And Mr. Taylor will be testifying on the		
24	MR. FLEMING: Okay. If I can respond			24	topics which, under Rule 30(b)6 notice, other than		
25	real briefly.			25	the ones that yesterday's deponent -- Tuesday's		

JOHN TAYLOR - 08/02/2018

Pages 10..13

<p style="text-align: right;">Page 10</p> <p>1 deponent, discussed. Namely, the topics other than 2 1(e), 1(h), 2(c), 2(f) and 2(i). 3 MR. HINDERAKER: Thank you. 4 EXAMINATION BY MR. HINDERAKER: 5 Q. So Mr. Taylor, understand, I think, but 6 tell me this; do you understand that you're here 7 today on behalf of Federal to testify to Federal's 8 knowledge on the topics of the 30(b)(6) notice? 9 A. Yes. 10 Q. Okay. Have you had a chance to -- this 11 is Exhibit 1 from an earlier deposition, an amended 12 deposition notice that includes the topics for today. 13 Have you had a chance to review that? 14 A. Yes, I have. 15 Q. Great. I assume you met with counsel to 16 prepare for the deposition? That's a yes or no. 17 A. Yes. 18 Q. Okay. And did you do anything to 19 further your own personal knowledge by way of 20 interviews or otherwise, so as to be prepared to 21 testify today on behalf of the corporate knowledge? 22 A. Yes, I did. I spoke with Ron Collovano, 23 vice-president of P&C reporting for Chubb, Russ 24 Danson, assistant vice-president, P&C reporting for 25 Chubb, Grant McEwen, Chubb Canada, CFO senior</p>	<p style="text-align: right;">Page 12</p> <p>1 Insurance and subsidiaries. 2 Q. Thank you. Yes, good correction. And 3 those -- you had essentially reviewed those 4 documents? 5 A. Correct. 6 Q. Sir, would you tell us with whom you are 7 employed today. 8 A. Chubb. 9 Q. So Chubb to me has a lot of different -- 10 there are a lot of different Chubbs to me. 11 What is the precise name of the entity 12 that employs you? 13 A. ACE American Insurance Company. 14 Q. And what's the relationship, if any, 15 between ACE American Insurance Company and Federal 16 Insurance Company? 17 A. They are affiliate companies. 18 Q. What do you mean by affiliate companies, 19 what do you mean by an affiliate? 20 A. They're owned by a common parent. 21 Q. Okay. And who is the common parent? 22 A. Chubb Limited. 23 Q. Is it correct that ACE American 24 Insurance Company is not a subsidiary of Federal 25 Insurance Company?</p>
<p style="text-align: right;">Page 11</p> <p>1 vice-president. Andrea Phillips, controller and 2 vice-president Chubb Canada, Bob Boyle, international 3 accounting. Don't know his title off the top of my 4 head. Also, went through various financial 5 documents, U.S. annual statements, things of that 6 nature. 7 Q. Thank you. 8 Did you review any of the, say, 9 genetically service or management agreements between 10 Chubb & Son and various subsidiaries? 11 A. Yes. 12 Q. You did that as well. 13 MR. FLEMING: Because there is a court 14 reporter here, you're going to have to wait until he 15 is done asking the question, and then respond. 16 Q. And picking up on that, let me also say 17 that I'm going to try my best to present a question 18 that you understand. And if you don't, tell me. 19 A. Sure. 20 Q. And I'll rephrase. 21 So I think I was -- would you read back 22 what I was asking. 23 (The record was read.) 24 Q. Correct? 25 A. Service agreements were between Federal</p>	<p style="text-align: right;">Page 13</p> <p>1 A. Correct. 2 Q. And for how long have you been employed 3 by ACE American Insurance Company? 4 A. 14 and a half years. 5 Q. Can you give us an overview, just give 6 us an overview, if you would, of your history of 7 employment with ACE American Insurance. 8 A. I was hired in January 2004. Over the 9 years, my responsibilities have included U.S. 10 statutory reporting -- let's see, statistical 11 reporting, investment accounting, premium tax 12 function, pools and associations, and ACE Bermuda. 13 Q. And have these responsibilities been for 14 ACE American Insurance Company only? 15 A. No, no. 16 Q. Okay. So what are the other entities 17 for whom those responsibilities were done? 18 A. Prior to acquisition, it would be all of 19 the U.S. property and casualty insurance companies of 20 ACE Limited. 21 Q. Prior to the acquisition, we're talking 22 about the acquisition of 2016? 23 A. Of Chubb in 2016, correct. 24 Q. Chubb in 2016. 25 I use the -- so in 2016, there was a</p>

JOHN TAYLOR - 08/02/2018

Pages 14..17

Page 14	Page 16
<p>1 merger between the Chubb Corporation and ACE, one of</p> <p>2 the ACE companies.</p> <p>3 Were you legacy ACE or -- are you legacy</p> <p>4 ACE or legacy Chubb?</p> <p>5 A. I am legacy ACE.</p> <p>6 Q. Do you have any personal knowledge of</p> <p>7 the financial reporting of the legacy Chubb -- of</p> <p>8 legacy Chubb or any of its affiliated companies?</p> <p>9 A. Yes.</p> <p>10 Q. And how do you have that personal</p> <p>11 knowledge?</p> <p>12 A. From speaking to the folks that I</p> <p>13 mentioned earlier.</p> <p>14 Q. You acquired that personal knowledge as</p> <p>15 a consequence of preparing for today's deposition?</p> <p>16 A. I was also responsible for legacy Chubb</p> <p>17 financial -- U.S. statutory reporting from date of</p> <p>18 acquisition to present.</p> <p>19 Q. But not for any time period before the</p> <p>20 date of acquisition?</p> <p>21 A. Correct.</p> <p>22 Q. And you used the phrase P&C group or</p> <p>23 P&C -- well, P&C group, what does that mean?</p> <p>24 A. Property and casualty insurance.</p> <p>25 Q. And by way of group, are you referencing</p>	<p>1 Q. And your educational background, please.</p> <p>2 A. I graduated from Drexel University in</p> <p>3 Philadelphia.</p> <p>4 Q. In what field of study?</p> <p>5 A. Accounting.</p> <p>6 Q. Any post graduate degrees?</p> <p>7 A. No.</p> <p>8 (Exhibit 17, 2014 The Chubb Corporation</p> <p>9 10-K, marked for identification, as of this date.)</p> <p>10 Q. Mr. Taylor, do we agree that Exhibit 17</p> <p>11 is a form 10-K filed by the Chubb Corporation with</p> <p>12 the SEC for the year ending December 31, 2014?</p> <p>13 A. Yes.</p> <p>14 (Exhibit 18, 2014 The Chubb Corporation</p> <p>15 Form 10-K Excerpt, marked for identification, as of</p> <p>16 this date.)</p> <p>17 Q. The court reporter has given you</p> <p>18 Exhibit 18, which I'm representing is the cover page</p> <p>19 of the same 10-K. Along with pages 3, 4, and 5 of</p> <p>20 that 10-K.</p> <p>21 Part 1, item 1, general heading</p> <p>22 business. If you would like to compare Exhibit 18 to</p> <p>23 that part of Exhibit 17, feel free. Otherwise, I'll</p> <p>24 proceed.</p> <p>25 A. I'll take your word.</p>
Page 15	Page 17
<p>1 various companies that are affiliates that are in the</p> <p>2 property and casualty insurance business?</p> <p>3 A. Correct.</p> <p>4 Q. So I'm just trying to get my head around</p> <p>5 this. So pre-merger, you had no responsibility --</p> <p>6 responsibilities, with respect to the P&C group of</p> <p>7 the Chubb Corporation, correct?</p> <p>8 A. Correct.</p> <p>9 Q. Post-merger, you have responsibilities</p> <p>10 for the P&C group of ACE as well as from post-merger</p> <p>11 forward, responsibilities for what was legacy Chubb?</p> <p>12 A. Correct.</p> <p>13 Q. Before your employment with ACE American</p> <p>14 Insurance Company, with whom were you employed?</p> <p>15 A. Would you like me to go -- recite my</p> <p>16 entire history or just immediate?</p> <p>17 Q. No, just go back a little bit.</p> <p>18 A. Reliance Insurance Company for 13 and a</p> <p>19 half years.</p> <p>20 Q. Okay. And before that?</p> <p>21 A. Colonial Penn Insurance Company.</p> <p>22 Q. Has your career been in the insurance</p> <p>23 business?</p> <p>24 A. For the most part. I started out at</p> <p>25 Arthur Anderson.</p>	<p>1 Q. Okay. Fair enough.</p> <p>2 (Discussion off the record.)</p> <p>3 Let's go to page 3. Under property and</p> <p>4 casualty insurance, the 10-K says that Federal</p> <p>5 Insurance Company is the largest insurance subsidiary</p> <p>6 in the P&C group and is the parent of most of the</p> <p>7 corporation's other insurance subsidiaries.</p> <p>8 Do you see where I'm reading? It's</p> <p>9 right under property and casualty insurance.</p> <p>10 A. Okay. I'm with you, yes.</p> <p>11 Q. All right. So there's no disagreement</p> <p>12 with that statement, is there?</p> <p>13 A. Correct.</p> <p>14 Q. And do you know if this statement that</p> <p>15 Federal Insurance Company is the largest subsidiary</p> <p>16 in the P&C group is true after the merger,</p> <p>17 post-merger?</p> <p>18 A. At a specific point in time or?</p> <p>19 Q. Well, between 2016 and today.</p> <p>20 A. By what measure?</p> <p>21 Q. Premium revenue.</p> <p>22 A. Yes.</p> <p>23 Q. What other measures are there?</p> <p>24 A. Surplus, asset base.</p> <p>25 Q. And then on page 3 of this 2014 10-K,</p>

JOHN TAYLOR - 08/02/2018

Pages 18..21

<p style="text-align: right;">Page 18</p> <p>1 you see that insurance companies in the P&C group 2 based in the United States are listed. 3 And so just so we're on the same page, 4 this list of subsidiaries, do we agree is a list of 5 the subsidiaries of the Chubb Corporation at this 6 time? 7 A. At 12/31/2014? 8 Q. Yes. 9 A. Correct. 10 Q. Because Federal Insurance Company is one 11 of the subsidiaries listed. 12 Do you know that all of the other 13 subsidiaries listed on this page 3 are themselves 14 subsidiaries of Federal Insurance Company as of year 15 end 2014? 16 A. Correct. 17 Q. Okay. Do you know whether it is still 18 true that these various companies other than Federal 19 Insurance Company are subsidiaries of Federal 20 Insurance Company post-merger from 2016 to date? 21 MR. FLEMING: Objection to foundation as 22 to the time that you're asking about that. 23 Q. You can answer. 24 A. They are not. 25 Q. Some of them are not?</p>	<p style="text-align: right;">Page 20</p> <p>1 company are owned by a common parent? 2 A. Correct. 3 Q. And then Great Northern Insurance 4 Company, what happened to that? 5 A. Same as -- 6 Q. Pacific? 7 A. It came up, yes. 8 Q. If we turn to page 4, it reports at the 9 top of the page on the principal insurance companies 10 in the P&C group based outside the United States as 11 of year end 2014. 12 Were -- as of year end 2014, were each 13 of these companies also subsidiaries of Federal? 14 A. Yes. 15 Q. Post-merger for the period 2016 to date, 16 are these companies still subsidiaries of Federal? 17 MR. FLEMING: Same objection, foundation 18 as to timing. 19 Q. You can answer. 20 A. To date, meaning as of today? 21 Q. As of today. 22 A. Chubb Australia no longer is merged with 23 a legacy ACE company. 24 Q. No longer is merged with a legacy ACE 25 company?</p>
<p style="text-align: right;">Page 19</p> <p>1 A. Correct. 2 Q. Which ones are not subsidiaries of 3 Federal Insurance Company following -- during the 4 period 2016 to date? 5 A. Texas Pacific Indemnity. 6 Q. Let me find -- 7 A. Last one on the right. 8 Q. Okay. Got it. Thank you. 9 A. Pacific Indemnity and Great Northern. 10 Q. Any others? 11 A. No, I believe that is it. 12 Q. Okay. Did those companies post-merger 13 become subsidiaries of another corporation? 14 A. Texas Pacific merged with Pacific 15 Indemnity. 16 Q. Okay. 17 A. The other companies became subs of a 18 holding company, are now affiliates of Federal. 19 Q. Do you know -- so Texas Pacific merged 20 into Pacific Indemnity, Pacific Indemnity is now a 21 sub of a holding company, the name of which is? 22 A. I forgot off the top of my head. But it 23 is a sister company of Federal. They're in the 24 same -- all owned by the same holding company. 25 Q. Okay. So Federal and the holding</p>	<p style="text-align: right;">Page 21</p> <p>1 A. It no longer is a subsidiary of Federal. 2 Q. It's no longer a subsidiary of Federal? 3 A. Correct. 4 Q. Okay. Got it. Any others? 5 A. Oh, I'm sorry. Don't recall off the top 6 of my -- off the top of my head. 7 Q. All right. You and I have been using 8 the word subsidiary in the context of Federal and 9 these other companies. 10 And for clarity, do we agree that in 11 each of those instances, Federal owned all of the 12 voting stock of the subsidiary, that is to say, they 13 are all wholly-owned subsidiaries of Federal? 14 A. Which company -- which subsidiaries? 15 Q. All right. So for year end 2014, all of 16 the subsidiaries identified on page 3 of this exhibit 17 are wholly-owned subsidiaries of Federal? 18 A. There may have been a company -- they 19 were not directly -- they may not be directly owned 20 by Federal. There might be a stacking. 21 Q. When you say might be, do you know one 22 way or the other? 23 A. I know one of them was. I don't recall 24 which one off the top of my head. 25 Q. All right. Other than the one, do you</p>

JOHN TAYLOR - 08/02/2018

Pages 22..25

<p style="text-align: right;">Page 22</p> <p>1 know that any others were?</p> <p>2 A. No.</p> <p>3 Q. So as far as you know, all of the others</p> <p>4 are wholly-owned by Federal?</p> <p>5 A. Right. Texas Pacific was the one that</p> <p>6 was stacked.</p> <p>7 Q. Okay. All the rest wholly-owned by</p> <p>8 Federal?</p> <p>9 A. Yes.</p> <p>10 Q. And then on page 4, the subsidiaries</p> <p>11 outside of the United States, all of those year end</p> <p>12 2014 were wholly-owned by Federal?</p> <p>13 A. Yes.</p> <p>14 Q. Are these companies outside the United</p> <p>15 States principal insurance companies in the P&C group</p> <p>16 currently post-merger?</p> <p>17 Maybe that's a bad question.</p> <p>18 Looking at the business outside of the</p> <p>19 United States, are the companies listed on page 4 the</p> <p>20 principal ones included in the P&C group? And by</p> <p>21 principal, again, I mean by measuring written</p> <p>22 premium.</p> <p>23 A. They are, yes.</p> <p>24 Q. Do you know the geographic scope of</p> <p>25 insurance policies -- let me rephrase the question.</p>	<p style="text-align: right;">Page 24</p> <p>1 policies in the U.K. or Europe?</p> <p>2 A. No.</p> <p>3 Q. You don't know or they didn't?</p> <p>4 A. I don't know.</p> <p>5 Q. Okay. Maybe a stupid question, but</p> <p>6 let's get it on the record.</p> <p>7 Federal Insurance Company sells P&C</p> <p>8 insurance policies?</p> <p>9 A. Correct.</p> <p>10 Q. As well as personal lines?</p> <p>11 A. Correct.</p> <p>12 Q. Okay. And this is true before the</p> <p>13 merger and after the merger?</p> <p>14 A. Correct.</p> <p>15 Q. And the three lines of business that</p> <p>16 Federal has sold and continues to sell are personal</p> <p>17 insurance, commercial insurance and specialty</p> <p>18 insurance?</p> <p>19 A. Correct.</p> <p>20 Q. Would you tell us, give us a -- your</p> <p>21 working definition of personal insurance.</p> <p>22 A. Personal insurance is sold to cover --</p> <p>23 to individuals to cover personal property, cars,</p> <p>24 homes; things like that.</p> <p>25 Q. Okay. Same question for commercial</p>
<p style="text-align: right;">Page 23</p> <p>1 Do you know the -- do you know of the</p> <p>2 various -- let me rephrase it again.</p> <p>3 Do you know the countries in which Chubb</p> <p>4 Insurance Company of Europe as of 2014 sold</p> <p>5 insurance?</p> <p>6 A. It sold -- I do not know all of them.</p> <p>7 Q. Tell me what you do know.</p> <p>8 A. U.K. and also, in Europe.</p> <p>9 Q. And by Europe, how many other countries</p> <p>10 in Europe?</p> <p>11 A. I don't know all of them.</p> <p>12 Q. Do you know some of them?</p> <p>13 A. Yes.</p> <p>14 Q. Which ones do you know?</p> <p>15 A. France. Other than that, I don't</p> <p>16 recall.</p> <p>17 Q. All right. And do you know with respect</p> <p>18 to the Insurance Company of Canada, did it sell</p> <p>19 insurance policies throughout Canada?</p> <p>20 A. Yes.</p> <p>21 Q. Insurance Company of Australia, did it</p> <p>22 sell insurance policies throughout Australia?</p> <p>23 A. Yes.</p> <p>24 Q. Do you know if Chubb Insurance Company</p> <p>25 of Europe itself had subsidiaries that sold insurance</p>	<p style="text-align: right;">Page 25</p> <p>1 insurance.</p> <p>2 A. Sold to businesses for again, property,</p> <p>3 property coverages, liability coverages.</p> <p>4 Q. Okay. Specialty insurance, same</p> <p>5 question.</p> <p>6 A. It is sold to -- it is sold to</p> <p>7 businesses but for non property-type coverages.</p> <p>8 Q. Examples of which are?</p> <p>9 A. Directors, D&O coverage, E&O coverage,</p> <p>10 things like that.</p> <p>11 Q. Malpractice coverage, accountants,</p> <p>12 attorneys, lawyers?</p> <p>13 A. Correct.</p> <p>14 Q. Medical? How about surety bonds, that</p> <p>15 sort of thing?</p> <p>16 A. Sureties -- surety bonds are generally</p> <p>17 sold to cover construction projects.</p> <p>18 Q. So is that commercial or surety?</p> <p>19 A. It is surety.</p> <p>20 Q. Do all the subsidiaries that are listed</p> <p>21 on page 3 of Exhibit 18, looking at each one of them,</p> <p>22 do they also sell the same kind of insurance in the</p> <p>23 United States?</p> <p>24 A. The same kind of insurance.</p> <p>25 Q. The three lines of business? They also</p>

JOHN TAYLOR - 08/02/2018

Pages 26..29

<p style="text-align: right;">Page 26</p> <p>1 sell personal insurance, commercial insurance, 2 specialty insurance in the United States? 3 A. Company -- yes. 4 Q. And then with respect to the companies 5 outside of the United States that are listed on page 6 4 or on page -- page 4, each of those companies also 7 sells personal lines, commercial lines and specialty 8 lines of insurance? 9 A. Yes. 10 Q. I notice that on page 4 of this 10-K, 11 this really is I guess the third paragraph, it 12 reports that 36 percent of the Chubb Corporation net 13 premiums written was for personal lines, and you see 14 it says 43 percent for commercial lines and 15 21 percent for specialty lines. 16 Do you know if those percentages are 17 relatively true post-merger? 18 MR. FLEMING: Object. Vague, 19 foundation. 20 A. I'm not sure I understand your -- 21 Q. Okay. So this is reporting on -- this 22 10-K is reporting on the Chubb Corporation with 23 respect to ACE Limited. If ACE Limited was to 24 allocate its net premiums written across these three 25 lines of insurance, would those percentages be</p>	<p style="text-align: right;">Page 28</p> <p>1 wholly-owned. 2 A. For 2014? 3 Q. Yes. 4 A. For Federal it would be -- it would 5 approximate -- it would approximate this. 6 Q. Is the United States the largest market 7 for specialty lines of insurance after the merger? 8 A. I don't know. 9 Q. Okay. Do you know if after the merger, 10 the insurance companies located outside the United 11 States on page 4 are the principal ones for specialty 12 insurance post-merger? 13 A. Post-merger, there has been a -- no, I 14 don't know. 15 Q. At the bottom on page 4, there are 16 reporting of premiums written during the past 17 three years, 2014, '13, and 2012. 18 What is the meaning of direct premiums 19 written? 20 A. Direct premiums written are premiums 21 that are written directly on a specific legal entity 22 using a policy issued by that legal entity to the 23 insured. 24 Q. And by legal entity, you're referencing 25 Federal or one of the various subsidiaries, for</p>
<p style="text-align: right;">Page 27</p> <p>1 relatively the same or are they different? 2 MR. FLEMING: Just further objection, I 3 don't believe that question is within any of the 4 topics raised in your Rule 30(b)6 deposition notice. 5 MR. HINDERAKER: We can disagree. 6 Q. Do you have an answer to that question? 7 A. Post-merger, ACE Limited, not to be a 8 wise guy, but ACE Limited doesn't exist. 9 Q. Okay. Post-merger, Chubb Limited. I'm 10 sorry. 11 A. Chubb Limited currently does not report 12 using these definitions. 13 Q. Okay. What definitions does Chubb 14 Limited use to report? 15 A. Agriculture, global reinsurance -- 16 agriculture, global reinsurance, personal, surety, 17 large, medium and small, each individual commercial. 18 Q. Okay. Let me stay with these percentage 19 but rephrase the question. 20 If I was to -- let me focus my question 21 on the year end 2014. But rather than the 22 percentages of net premium across the three lines of 23 business for the Chubb Corporation, let me ask you if 24 you know the percentages of business across the three 25 lines for Federal and all of its subsidiaries</p>	<p style="text-align: right;">Page 29</p> <p>1 example? 2 A. Correct. 3 Q. So in the year 2014, or any -- in any 4 single year, is direct premiums written the premiums 5 on the policies sold in that year? 6 A. Could you say that again, please. 7 Q. Sure. Of course. 8 So in a year, Federal or any of its 9 subsidiaries, what you call legal entities, sells an 10 insurance policy in return for a premium, correct? 11 A. Correct. 12 Q. And if I'm measuring direct written 13 premium, am I measuring -- I'm measuring direct 14 premium for a particular year, am I only measuring 15 those insurance policies sold that year? 16 A. That is one -- that is one measure, yes. 17 Q. And there is another measure I think 18 we'll run into called earned premium. 19 A. Correct. 20 Q. What's the difference between direct 21 written premium and earned premium? 22 A. Direct written premium covers a specific 23 calendar year. So for -- direct premium covers 24 calendar year. Earned premium is brought into the 25 income statement over the exposure period.</p>

JOHN TAYLOR - 08/02/2018

Pages 30..33

<p style="text-align: right;">Page 30</p> <p>1 Q. The exposure period of the policy?</p> <p>2 A. Correct.</p> <p>3 Q. So is it correct that if I want to</p> <p>4 measure the direct written premium from insurance</p> <p>5 policies sold in any particular year, I'll be limited</p> <p>6 to insurance policies that were sold in that</p> <p>7 particular year?</p> <p>8 A. By -- directly by that company, correct.</p> <p>9 Q. Yes. And what's the qualification, why</p> <p>10 do you qualify by directly by that company?</p> <p>11 A. Because companies can rate assumed, they</p> <p>12 can assume business from another carrier as well.</p> <p>13 Q. Okay. And there is another column on</p> <p>14 this page 4 is assumed reinsurance premium. What is</p> <p>15 that?</p> <p>16 A. That is essentially -- you can think of</p> <p>17 that as insurance companies assuming a risk from</p> <p>18 another insurance company. It's tantamount to an</p> <p>19 insurance company buying insurance for itself.</p> <p>20 Q. For which the insurance company receives</p> <p>21 a premium or some form of compensation?</p> <p>22 A. Correct, yes.</p> <p>23 Q. And then ceded reinsurance premiums,</p> <p>24 what is that?</p> <p>25 A. That is business that is -- that is</p>	<p style="text-align: right;">Page 32</p> <p>1 what that means.</p> <p>2 A. Yes. Between legal entities within --</p> <p>3 that are affiliated, sometimes share premium back and</p> <p>4 forth. That note indicates that those are eliminated</p> <p>5 between assumed and ceded in an attempt to show -- to</p> <p>6 show the assumed and ceded premium here are from</p> <p>7 third parties.</p> <p>8 Q. And by third parties, you mean insurance</p> <p>9 companies outside of -- for this time frame, the</p> <p>10 Chubb Corporation?</p> <p>11 A. Correct.</p> <p>12 MR. FLEMING: Objection, outside the</p> <p>13 scope of the categories that you designated for this</p> <p>14 witness.</p> <p>15 Q. And the number -- the dollar amounts</p> <p>16 that are recorded on page 4 here, what we're looking</p> <p>17 at, these are numbers in the billions, right?</p> <p>18 A. I have to go back and look at the -- how</p> <p>19 it's defined earlier.</p> <p>20 Q. Okay.</p> <p>21 A. I'm sorry, in millions. Under the -- in</p> <p>22 the middle of the table in parentheses.</p> <p>23 Q. So direct written premium for 2014,</p> <p>24 you're saying is \$12,000,976, not \$12,976,000,000?</p> <p>25 A. The report is saying that it is in</p>
<p style="text-align: right;">Page 31</p> <p>1 ceded -- I hate to use the same word again, but</p> <p>2 shared -- it's the offset of assumed. If you were --</p> <p>3 if you were ceding business to me, I would record it</p> <p>4 as assumed, you would record it as ceded. It's a</p> <p>5 reduction of your written premium.</p> <p>6 Q. So the company that is ceding the</p> <p>7 business pays the premium, pays the compensation?</p> <p>8 A. To the other insurance company.</p> <p>9 Q. To the other insurance company for the</p> <p>10 other insurance company being willing to accept that</p> <p>11 risk?</p> <p>12 A. Correct.</p> <p>13 Q. And so the net premium written is the</p> <p>14 combination on page 4 of those various categories?</p> <p>15 A. Correct.</p> <p>16 Q. Okay. I notice there is a footnote</p> <p>17 called intercompany items eliminated.</p> <p>18 What does that mean, if you know?</p> <p>19 MR. FLEMING: What page are you on?</p> <p>20 MR. HINDERAKER: Page 4.</p> <p>21 MR. FLEMING: So you're saying the</p> <p>22 footnote at the bottom of the page or what are you</p> <p>23 focusing on here?</p> <p>24 MR. HINDERAKER: I'm focusing on (a)</p> <p>25 intercompany items eliminated. I'm asking do we know</p>	<p style="text-align: right;">Page 33</p> <p>1 millions. So you'd have to add what, six --</p> <p>2 Q. You have to add --</p> <p>3 A. You have to add six zeroes, so it would</p> <p>4 be -- so what that works out to be, 12 billion.</p> <p>5 Q. So if I add six zeroes, I get to 12</p> <p>6 billion?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. And on page 5, for year end 2014,</p> <p>9 it reports that -- it's in the second paragraph,</p> <p>10 quote, "Approximately 78 percent of the P&C group's</p> <p>11 total direct premiums written were produced in the</p> <p>12 United States."</p> <p>13 Is that true for post-merger and ACE</p> <p>14 Limited?</p> <p>15 MR. FLEMING: Objection, foundation.</p> <p>16 Q. I'm sorry, Chubb Limited.</p> <p>17 MR. FLEMING: Objection, foundation as</p> <p>18 to time.</p> <p>19 A. No.</p> <p>20 Q. What -- how much of the direct premiums</p> <p>21 written of Chubb Limited for post-merger time frames?</p> <p>22 A. I don't know.</p> <p>23 Q. You don't know one way or the other?</p> <p>24 A. Well, I know it's not 78 percent, but I</p> <p>25 couldn't tell you the exact percent, no.</p>

JOHN TAYLOR - 08/02/2018

Pages 34..37

<p style="text-align: right;">Page 34</p> <p>1 Q. What is the -- tell me the approximate</p> <p>2 percent that you think it is.</p> <p>3 MR. FLEMING: Objection, foundation.</p> <p>4 A. I don't know the approximate percent. I</p> <p>5 just know it's not 78 percent.</p> <p>6 Q. You're just saying it can't be precisely</p> <p>7 the same number?</p> <p>8 A. Correct.</p> <p>9 Q. For the time period before the merger,</p> <p>10 were the insurance policies sold in the name of</p> <p>11 Federal and its various subsidiaries in the United</p> <p>12 States sold by independent insurance agencies or</p> <p>13 independent brokers?</p> <p>14 A. Yes.</p> <p>15 Q. Yes. Is that -- was that pre-merger</p> <p>16 also true for the Europe, Australia, Canada, those</p> <p>17 three companies?</p> <p>18 A. I don't know.</p> <p>19 Q. Post-merger, are the insurance policies</p> <p>20 of Federal and its various subsidiaries sold in the</p> <p>21 United States still sold through independent agencies</p> <p>22 and independent brokers?</p> <p>23 MR. FLEMING: Objection, foundation as</p> <p>24 to time.</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 36</p> <p>1 sells insurance policies.</p> <p>2 Q. How do you distinguish that from an</p> <p>3 insurance broker?</p> <p>4 A. A broker -- a broker deals with larger</p> <p>5 risks and I think of more of a brokerage house as</p> <p>6 supposed to an individual broker.</p> <p>7 Q. So are you seeing an insurance agent as</p> <p>8 being more of a solo practitioner and an insurance</p> <p>9 broker as being more of someone who's operating in a</p> <p>10 group?</p> <p>11 A. Correct.</p> <p>12 Q. And is it -- was it true post-merger</p> <p>13 that the insurance agents and insurance brokers</p> <p>14 through whom Federal and its various subsidiaries</p> <p>15 sold insurance policies, those agents and brokers</p> <p>16 also sold insurance from competing companies?</p> <p>17 A. I don't know.</p> <p>18 Q. Okay. And anything -- do you know</p> <p>19 anything that would restrict them from doing that?</p> <p>20 MR. FLEMING: Objection, lack of</p> <p>21 foundation.</p> <p>22 A. Can you repeat that question.</p> <p>23 Q. Do you know if Federal or any of its</p> <p>24 subsidiaries limit the business of any insurance</p> <p>25 agent or broker to be exclusive to Federal?</p>
<p style="text-align: right;">Page 35</p> <p>1 Q. And then post-merger, do you know if</p> <p>2 that's also true for the insurance companies in</p> <p>3 Europe, Australia, and Canada?</p> <p>4 A. No. No, I don't know.</p> <p>5 Q. You still don't know?</p> <p>6 A. Yes.</p> <p>7 Q. Got it. Pre-merger, did Federal or any</p> <p>8 of its subsidiaries have a captive sales force?</p> <p>9 A. Not that I'm aware of.</p> <p>10 Q. And post-merger, does it have -- does</p> <p>11 Chubb Limited -- I'm sorry, post-merger, does Federal</p> <p>12 or any of its subsidiaries now have a captive sales</p> <p>13 force?</p> <p>14 A. Not that I'm aware of.</p> <p>15 Q. Is there a meaningful difference between</p> <p>16 the term insurance agent and insurance broker?</p> <p>17 A. Yes.</p> <p>18 Q. What are the -- what is an insurance</p> <p>19 agent?</p> <p>20 MR. FLEMING: Object. Foundation and</p> <p>21 outside the category you have identified in the Rule</p> <p>22 30(b)(6) notice.</p> <p>23 Q. What is the definition of an insurance</p> <p>24 agent?</p> <p>25 A. An agent is generally an individual that</p>	<p style="text-align: right;">Page 37</p> <p>1 A. I don't know.</p> <p>2 Q. And how about post-merger, same</p> <p>3 questions.</p> <p>4 A. Don't know.</p> <p>5 Q. Does Federal Insurance Company have any</p> <p>6 employees outside of the United States pre-merger?</p> <p>7 A. I don't believe so.</p> <p>8 Q. Does Federal Insurance Company have any</p> <p>9 employees outside of the United States post-merger?</p> <p>10 A. I don't believe so.</p> <p>11 Q. We know pre-merger that one of the</p> <p>12 divisions of Federal Insurance Company is Chubb &</p> <p>13 Son.</p> <p>14 Are you aware of that?</p> <p>15 A. Yes.</p> <p>16 Q. Do you know that?</p> <p>17 A. I know that.</p> <p>18 Q. All right.</p> <p>19 Pre-merger, did Federal Insurance</p> <p>20 Company have any other divisions in addition to Chubb</p> <p>21 & Son?</p> <p>22 A. Not that I'm aware of.</p> <p>23 Q. Post-merger, does Federal Insurance</p> <p>24 Company have any divisions other than Chubb & Son?</p> <p>25 A. No, not that I'm aware of.</p>

JOHN TAYLOR - 08/02/2018

Pages 38..41

<p style="text-align: right;">Page 38</p> <p>1 Q. And post-merger, Chubb & Son continues</p> <p>2 to be a division of Federal?</p> <p>3 A. Correct.</p> <p>4 Q. Do we agree that Chubb & Son, as a</p> <p>5 division, is an unincorporated entity?</p> <p>6 MR. FLEMING: To the extent it calls for</p> <p>7 a legal conclusion.</p> <p>8 A. As of what -- to the best of my</p> <p>9 knowledge.</p> <p>10 Q. That's what a division is, correct?</p> <p>11 Agreed?</p> <p>12 A. To the best of my knowledge, yes. To</p> <p>13 the best of my knowledge, yes.</p> <p>14 Q. So is it also accurate to say that Chubb</p> <p>15 & Son as a division itself does not have any</p> <p>16 subsidiaries?</p> <p>17 A. Correct.</p> <p>18 Q. Staying with this Exhibit 18, on page 3,</p> <p>19 and under property and casualty insurance, again, it</p> <p>20 tells us that Chubb & Son, a Division of Federal, is</p> <p>21 the manager of several U.S. subsidiaries in the P&C</p> <p>22 group.</p> <p>23 Pre-merger, do you have -- can you give</p> <p>24 us an overview of the responsibilities of Chubb &</p> <p>25 Son, a division, as a manager of several U.S.</p>	<p style="text-align: right;">Page 40</p> <p>1 difference between what Federal, through its division</p> <p>2 Chubb & Son, did as a manager relative to what it did</p> <p>3 as a servicer?</p> <p>4 A. There were management and service</p> <p>5 agreements. I tend to think of them as one and the</p> <p>6 same, that Federal -- that Federal had with the</p> <p>7 subsidiaries. Federal had all the employees. The</p> <p>8 subsidiaries did not have employees. So Federal</p> <p>9 essentially, through its employees, managed and</p> <p>10 serviced those subsidiaries.</p> <p>11 Q. And is that arrangement of management</p> <p>12 and service responsibilities provided by Federal</p> <p>13 through the division to the various subsidiaries, has</p> <p>14 that continued post-merger?</p> <p>15 A. At what -- that's a long time period.</p> <p>16 Q. Okay. Let me rephrase that.</p> <p>17 From 2016 to date, has the</p> <p>18 responsibility of Federal through the division Chubb</p> <p>19 & Son changed when we speak to providing services and</p> <p>20 management?</p> <p>21 MR. FLEMING: Objection, multiple</p> <p>22 questions. Also, a foundation issue.</p> <p>23 A. Federal still manages the subsidiaries.</p> <p>24 Q. It does post-merger as well?</p> <p>25 A. Post-merger.</p>
<p style="text-align: right;">Page 39</p> <p>1 subsidiaries in the P&C group.</p> <p>2 MR. FLEMING: Objection, multiple</p> <p>3 questions.</p> <p>4 Q. Do you understand what I'm asking?</p> <p>5 A. Could you repeat that.</p> <p>6 Q. I sure can.</p> <p>7 My time frame is pre-merger. My</p> <p>8 question is an overview of responsibilities of Chubb</p> <p>9 & Son as a manager of several U.S. subsidiaries in</p> <p>10 the P&C group.</p> <p>11 A. Federal had a number of agreements with</p> <p>12 subsidiaries to manage the various underwriting</p> <p>13 activities and other administrative duties of those</p> <p>14 subsidiaries.</p> <p>15 Q. Okay. Anything further that you would</p> <p>16 include in that description? Is that the full scope</p> <p>17 of the responsibilities?</p> <p>18 A. Can you read back my --</p> <p>19 Q. That's okay. We'll get into some</p> <p>20 documents. Let's do it through that.</p> <p>21 A. Okay.</p> <p>22 Q. And then it goes on to say and also</p> <p>23 provides certain services to other insurance</p> <p>24 companies.</p> <p>25 Do you know what -- if there is a</p>	<p style="text-align: right;">Page 41</p> <p>1 MR. FLEMING: We have been going about</p> <p>2 an hour. Is this a natural stopping point to take a</p> <p>3 short break?</p> <p>4 MR. HINDERAKER: Yeah, just give me a</p> <p>5 minute here to look at a couple of things.</p> <p>6 Q. I'll be showing you in a little while a</p> <p>7 service management document or agreement with Chubb</p> <p>8 Insurance Company of Canada, and I'll show you one</p> <p>9 from Chubb Insurance Company of Australia.</p> <p>10 Do you know if pre-merger, Federal</p> <p>11 provided management service -- management and service</p> <p>12 for Chubb Insurance Company of Europe SE?</p> <p>13 A. I don't -- I don't specifically know</p> <p>14 that.</p> <p>15 Q. Okay. And then you know, I asked you --</p> <p>16 I asked you a question that was post-merger. And let</p> <p>17 me ask you another question post-merger, but a bit</p> <p>18 more specifically. That is to say, post-merger,</p> <p>19 has -- does Federal provide management and service</p> <p>20 functions to legal entities that are no longer its</p> <p>21 wholly-owned subsidiaries?</p> <p>22 A. Yes.</p> <p>23 Q. Yes. Okay. Confirming that</p> <p>24 post-merger, there has been no change in Federal's</p> <p>25 functions with respect to providing management and</p>

JOHN TAYLOR - 08/02/2018

Pages 42..45

<p style="text-align: right;">Page 42</p> <p>1 services?</p> <p>2 A. Correct. There -- yes.</p> <p>3 MR. HINDERAKER: Let's take a break now.</p> <p>4 THE VIDEOGRAPHER: The time is 9:59 a.m.</p> <p>5 and we are going off the record.</p> <p>6 (Discussion off the record.)</p> <p>7 THE VIDEOGRAPHER: The time is 10:10</p> <p>8 a.m. and we're back on the record.</p> <p>9 MR. FLEMING: I just wanted to raise</p> <p>10 this objection. We have been going for about an hour</p> <p>11 and there was a long history of narrowing the topics</p> <p>12 for this particular designee. And we spent an hour</p> <p>13 so far, and most of what the questioning has been so</p> <p>14 far has not related to the topics that have been</p> <p>15 agreed upon. Case in point, captive insurance agents</p> <p>16 and broker versus agent definitions.</p> <p>17 I'm going to insist that we stay within</p> <p>18 the topics that we agreed upon that we prepared the</p> <p>19 witness for.</p> <p>20 MR. HINDERAKER: I understand your</p> <p>21 position. I don't think it matters. Back on the</p> <p>22 record.</p> <p>23 BY MR. HINDERAKER:</p> <p>24 Q. We've had a break, and anything you</p> <p>25 would like to change, amend or modify from your</p>	<p style="text-align: right;">Page 44</p> <p>1 A. Through Federal, correct.</p> <p>2 Q. And then same question post-merger</p> <p>3 continues to be true that subsidiaries have no</p> <p>4 employees?</p> <p>5 A. Correct.</p> <p>6 Q. And then let's go outside the United</p> <p>7 States.</p> <p>8 Pre-merger, did Chubb Insurance Company</p> <p>9 of Europe, Chubb Insurance Company of Canada, or</p> <p>10 Chubb -- and Chubb Insurance Company of Australia,</p> <p>11 with respect to these three companies, did they have</p> <p>12 employees?</p> <p>13 A. I don't know.</p> <p>14 Q. Okay. Post-merger you don't know</p> <p>15 either?</p> <p>16 A. No.</p> <p>17 Q. Pre-merger, did Federal provide services</p> <p>18 and management to any entities that were not</p> <p>19 wholly-owned subsidiaries of Federal?</p> <p>20 A. To the best of my knowledge, no.</p> <p>21 Q. Okay. And then post-merger, Federal</p> <p>22 does provide management services agreements to</p> <p>23 entities that are not wholly-owned subsidiaries of</p> <p>24 Federal?</p> <p>25 A. Correct.</p>
<p style="text-align: right;">Page 43</p> <p>1 testimony so far?</p> <p>2 A. I'm pretty sure I got the definition of</p> <p>3 agent and broker right. But honestly, I wasn't</p> <p>4 really -- that kind of came out of left field.</p> <p>5 Q. Fair enough.</p> <p>6 With respect to your own testimony,</p> <p>7 counsel and I can disagree about other things</p> <p>8 separately.</p> <p>9 You mentioned before the break that the</p> <p>10 United States subsidiaries -- I have to do this in</p> <p>11 time frames again.</p> <p>12 A. Sure.</p> <p>13 Q. So let me first start off with</p> <p>14 pre-merger, that the United States subsidiaries of</p> <p>15 Federal have no employees.</p> <p>16 A. Correct.</p> <p>17 Q. Okay. So my question is how do the</p> <p>18 various -- how did pre-merger, the various</p> <p>19 subsidiaries of Federal without employees, write,</p> <p>20 issue, sell insurance policies?</p> <p>21 A. Through various management service</p> <p>22 agreements.</p> <p>23 Q. Was the people, the arms and legs and</p> <p>24 facilities and technology provided by Federal,</p> <p>25 through Chubb & Son, a Division?</p>	<p style="text-align: right;">Page 45</p> <p>1 Q. Do you understand that there is a</p> <p>2 license agreement between FICO and Chubb & Son, a</p> <p>3 Division of Federal, for Blaze Advisor software?</p> <p>4 A. I'm aware of that.</p> <p>5 Q. Are you aware that over time, various</p> <p>6 what are called applications, were developed that use</p> <p>7 Blaze Advisor software used in conjunction with the</p> <p>8 sale of insurance companies?</p> <p>9 MR. FLEMING: Again, this is completely</p> <p>10 outside of any topic as covered by the Rule 30(b)6</p> <p>11 deposition notice that we negotiated and agreed to.</p> <p>12 MR. HINDERAKER: As I said fine, you can</p> <p>13 have that objection all day long.</p> <p>14 MR. FLEMING: Well, I'm making the</p> <p>15 objection.</p> <p>16 MR. HINDERAKER: And repeat it all you</p> <p>17 would like. Let's go back to my question.</p> <p>18 Q. So my question -- we were talking, you</p> <p>19 know that there is a license agreement for Blaze</p> <p>20 Advisor software. That's the subject matter of this</p> <p>21 lawsuit, correct?</p> <p>22 A. Correct.</p> <p>23 Q. And are you aware that various</p> <p>24 applications were developed using Blaze Advisor</p> <p>25 software which were employed in connection with the</p>

JOHN TAYLOR - 08/02/2018

Pages 46..49

<p style="text-align: right;">Page 46</p> <p>1 sale of insurance policies or the management of</p> <p>2 claims, but in the business of insurance?</p> <p>3 MR. FLEMING: Objection, foundation,</p> <p>4 outside the scope of the Rule 30(b)6 topics.</p> <p>5 Q. Are you aware of that?</p> <p>6 A. That is my understanding.</p> <p>7 Q. Okay. Is it your understanding that --</p> <p>8 is it your understanding that to the extent -- to the</p> <p>9 same extent that Federal used applications that</p> <p>10 deployed Blaze Advisor software in the sale of</p> <p>11 Federal insurance policies, to the same extent,</p> <p>12 insurance policies sold by -- in the name of other</p> <p>13 entities, other subsidiaries of Federal, also used</p> <p>14 Blaze Advisor?</p> <p>15 MR. FLEMING: Objection, foundation,</p> <p>16 outside the scope of the Rule 30(b)6 topics that are</p> <p>17 designated.</p> <p>18 A. Not that I'm --</p> <p>19 Q. Do you know one way or the other?</p> <p>20 A. No, I don't.</p> <p>21 Q. You just don't know?</p> <p>22 A. Yes.</p> <p>23 Q. Okay. If you go to -- it's Exhibit 18,</p> <p>24 please. And on that, page 3, and then under property</p> <p>25 and casualty insurance, you'll see where it says, The</p>	<p style="text-align: right;">Page 48</p> <p>1 sorry.</p> <p>2 Q. Isn't it true -- isn't it true that for</p> <p>3 the various subsidiaries of Federal in the United</p> <p>4 States to sell insurance policies, the services and</p> <p>5 management of Federal through Chubb & Son is</p> <p>6 absolutely necessary?</p> <p>7 MR. FLEMING: Objection. Vague.</p> <p>8 Q. Are any of those insurance companies --</p> <p>9 could any of the legal entities that are subsidiaries</p> <p>10 of Federal having no employees sell insurance</p> <p>11 policies without the services and management provided</p> <p>12 by Federal through Chubb & Son?</p> <p>13 A. To the best of my knowledge, employees</p> <p>14 don't sell insurance for these companies.</p> <p>15 Q. All right. So instead of sell,</p> <p>16 underwrite, write, issue, present to customers</p> <p>17 policies.</p> <p>18 MR. FLEMING: Objection, multiple</p> <p>19 questions, and it calls for a hypothetical.</p> <p>20 Q. Go ahead.</p> <p>21 A. To the best of my knowledge, yeah, to</p> <p>22 the best of my knowledge, yes. Agree.</p> <p>23 Q. Agree that the services of Federal</p> <p>24 through Chubb & Son are absolutely necessary for each</p> <p>25 of those subsidiaries to underwrite, issue, sell --</p>
<p style="text-align: right;">Page 47</p> <p>1 sentence begins, "Acting subject to the supervision</p> <p>2 and control of the respective boards of directors of</p> <p>3 the insurance companies included in the P&C group,</p> <p>4 Chubb & Son provides day-to-day management and</p> <p>5 operating personnel."</p> <p>6 Do you see where I read?</p> <p>7 A. Yes.</p> <p>8 Q. So let me just unpack that a little bit.</p> <p>9 So as I just said, Chubb & Son acts</p> <p>10 pursuant to the directions of the board of directors</p> <p>11 of the subsidiaries. You with me so far?</p> <p>12 A. Correct.</p> <p>13 Q. Each of the subsidiaries is wholly-owned</p> <p>14 by Federal?</p> <p>15 A. Correct.</p> <p>16 Q. Okay. So in each of those instances,</p> <p>17 then, Federal has the authority to control and</p> <p>18 determine the board of directors of the subsidiaries?</p> <p>19 A. Subject to state regulation.</p> <p>20 Q. Got it. Is it fair to say that but for</p> <p>21 the services and management provided by Federal</p> <p>22 through Chubb & Son, its division, none of the</p> <p>23 subsidiaries in the United States, subsidiaries of</p> <p>24 Federal, would be able to sell insurance policies?</p> <p>25 A. Could you say that again, please. I'm</p>	<p style="text-align: right;">Page 49</p> <p>1 underwrite, issue insurance policies for sale?</p> <p>2 A. Any -- Chubb & Son or Federal, they</p> <p>3 operate under management agreement and service</p> <p>4 agreements with Federal.</p> <p>5 Q. Right, right. And but for those</p> <p>6 management agreements and service agreements with</p> <p>7 Federal, could any of those insurance companies issue</p> <p>8 an insurance policy?</p> <p>9 MR. FLEMING: Objection, calls for</p> <p>10 speculation.</p> <p>11 A. Hypothetically they could have a</p> <p>12 management service agreement with anyone.</p> <p>13 Q. Okay. That's how they would have to do</p> <p>14 it though; no employees?</p> <p>15 A. The companies don't have employees,</p> <p>16 correct.</p> <p>17 Q. Okay.</p> <p>18 (Exhibit 19, Agreement and Amendments</p> <p>19 Between Pacific Indemnity Company and Chubb & Son, a</p> <p>20 Division of Federal Insurance Company, marked for</p> <p>21 identification, as of this date.)</p> <p>22 Q. Mr. Taylor, I'm going to go through -- I</p> <p>23 have for you a series of documents that are like</p> <p>24 Exhibit 19. And they are being presented to you in</p> <p>25 the form or order in which they were produced to</p>

<p style="text-align: right;">Page 50</p> <p>1 FICO. And I mention that only because often times, 2 the most recent document is on top and the base 3 document is on the bottom. Let's see if you can -- 4 and I can work this in a way that you're comfortable, 5 and -- but also at the same time, efficient. 6 So do we agree that Exhibit 19 is the 7 service agreement with Pacific Indemnity Company 8 between itself and Chubb & Son, a Division of Federal 9 Insurance Company? 10 A. Yes. 11 Q. Okay. And then with the document in 12 hand, if you want to try -- if you want to follow 13 along, great, but let's just -- do we agree that 14 Exhibit 19 includes an agreement on page Bates 15 numbered 4 effective January 1, 1998, Bates No. 3, an 16 amendment dated September 1st, 2003, and then the 17 first page being addendum No. 2 dated December 31, 18 2002? 19 A. I'm sorry, you said September? I'm 20 sorry. 21 Q. Did I say December 31? I said 2002, but 22 I should have said 2007. 23 A. I'm looking for the -- 24 Q. On page 2. Signature. 25 A. Oh, okay. Yes. Okay.</p>	<p style="text-align: right;">Page 52</p> <p>1 A. Correct. 2 Q. Okay. And then if we look at Section A, 3 is it fair to say that -- take your time to review 4 it. 5 MR. FLEMING: Bates stamped 0004? 6 MR. HINDERAKER: 0005. Thanks. 7 Q. Article 3, it's called Section A, 0005. 8 So is it fair to say that the manager issues all 9 policies and contracts of insurance which the 10 company, Pacific Indemnity, is authorized to issue? 11 MR. FLEMING: Where are you reading 12 from? 13 MR. HINDERAKER: Section A, Bates 14 numbered 5. Primarily, the first sentence. 15 MR. FLEMING: Okay. I'm sorry, the 16 question, then, was? 17 MR. HINDERAKER: Could you read back my 18 question -- well, forget that. I'll just re-ask it 19 again. 20 Q. So do we agree that Chubb Insurance 21 Company, a Division of Federal, as manager, is 22 empowered to effect, sign, countersign and issue all 23 policies of insurance and reinsurance, which Pacific 24 Indemnity company is authorized to issue? 25 A. It's actually Federal Insurance Company,</p>
<p style="text-align: right;">Page 51</p> <p>1 Q. And to your knowledge, is this the 2 complete service agreement between Chubb & Son, a 3 Division of Federal, and Pacific Insurance Company? 4 A. Yes, to my knowledge. 5 Q. All right. And you described in general 6 terms the services and management that Chubb & Son, a 7 Division of Federal -- that Federal provides through 8 Chubb & Son, a Division, with respect to the various 9 U.S. subsidiaries. And is this an example of the 10 agreement that you were referencing? 11 A. Yes. 12 Q. Okay. So for example, it is by way of 13 Exhibit 19 that -- let me withdraw that. 14 Well, let's just use this as an example. 15 Let me ask you this question; if you go to page Bates 16 numbered 4, paragraph 1. 17 MR. FLEMING: Article I? 18 MR. HINDERAKER: Under article II -- 19 thank you. 20 Q. Under article II, paragraph 1, you see 21 that the manager shall manage the business of 22 insurance by and on behalf of the company. 23 A. Correct. 24 Q. All right. And manager is Chubb & Son, 25 a Division of Federal, correct?</p>	<p style="text-align: right;">Page 53</p> <p>1 not -- again, not to be a wise guy, but Federal 2 Insurance -- Chubb & Son, a Division of Federal, not 3 Chubb & Son, a Division -- I think you just had your 4 words messed up, but yes. 5 Q. Okay. With correcting my question, the 6 answer is yes? 7 A. Yes. 8 Q. All right. 9 (Exhibit 20, Agreement and Addendum 10 Between Texas Pacific Indemnity Company and Chubb & 11 Son, a Division of Federal Insurance Company, marked 12 for identification, as of this date.) 13 Q. With respect to Exhibit 20, Mr. Taylor, 14 I would like to know if we can agree that this 15 document includes the agreement between Texas Pacific 16 Indemnity and Chubb & Son, a Division of Federal 17 Insurance Company, June 1, 2004 as well as an 18 addendum dated December 31, 2007. 19 A. Yes. 20 Q. And to the best of your knowledge, this 21 is the complete service agreement with Texas Pacific 22 Indemnity? 23 A. The word service is scratched and 24 management is written in, so it's either a service or 25 management agreement.</p>

JOHN TAYLOR - 08/02/2018

Pages 54..57

<p style="text-align: right;">Page 54</p> <p>1 Q. Okay. And earlier in the -- earlier in 2 the examination, you were commenting on how maybe 3 there is no real substantive difference between being 4 a servicer and being a manager, and so from that 5 context, your detail is accurate, but does it change 6 the substance of the arrangement? 7 A. Not to my knowledge. 8 Q. And if I was to ask you the questions 9 that I just did with respect to Pacific Indemnity, 10 but apply them to Texas Pacific Indemnity, the 11 answers would be the same? 12 A. I don't recall your questions. 13 Q. Fair enough. Is it correct to say that 14 all the insurance policies issued in the name of 15 Texas Pacific Indemnity Company -- I'm sorry, let me 16 back up. 17 Is it true that Federal, through Chubb & 18 Son, its division, as manager, has the authority to 19 underwrite, effect and issue all of the insurance 20 policies that are in the name of Texas Pacific 21 Indemnity? 22 A. Correct. 23 (Exhibit 21, Agreement and Addendums 24 Between Vigilant Insurance Company and Chubb & Son, a 25 Division of Federal Insurance Company, marked for</p>	<p style="text-align: right;">Page 56</p> <p>1 A. Yes. 2 (Exhibit 22, Agreement and Addendums 3 Between Chubb Indemnity Insurance Company and Chubb & 4 Son, a Division of Federal Insurance Company, marked 5 for identification, as of this date.) 6 Q. With respect to Exhibit 22, this 7 includes an agreement effective January 1, 1998 8 between Chubb Indemnity Insurance Company and Chubb & 9 Son, a Division of Federal Insurance Company, 10 effective January 1, 1998 as well as addendum No. 2 11 effective January 1, 2005 and -- well, let me back 12 up. On Bates No. 3, page 3 Bates numbered, we have 13 addendum No. 2 which shall be effective on January 1, 14 2008, and then the signature page on the next page 15 says this addendum shall be effective on the first 16 day of January 2005, agreed? 17 A. Agreed. 18 Q. And then Exhibit 21 has an addendum No. 19 3 saying it is effective on the 31st day of December 20 2007, agreed? 21 A. This is Exhibit 22? 22 Q. 22, yeah. 23 A. And what was the date again? I'm sorry. 24 Q. And then Exhibit 22 includes addendum 25 No. 3, having an effective date of December 31, 2007?</p>
<p style="text-align: right;">Page 55</p> <p>1 identification, as of this date.) 2 Q. I hope to do the same thing that we did 3 with the last two. While you have the document, 4 Exhibit 21, see if we can agree that Exhibit 21 is an 5 agreement between Vigilant Insurance Company and 6 Chubb & Son, a Division of Federal Insurance Company, 7 dated January 1, 1998 as well as an addendum 8 effective January 1, 2002 as well as addendum No. 2 9 effective January 1, 2005 and addendum No. 3 10 effective January 1, 2008 and addendum No. 3 11 effective December 31, 2007. 12 A. Only that the earlier two addendums are 13 not numbered. I'm not sure the numbers you 14 referenced line up with the numbers on here, but yes, 15 agree. 16 Q. All right. To your -- best of your 17 knowledge, Exhibit 21 is the complete agreement 18 between Chubb & Son, a Division of Federal Insurance 19 Company, and Vigilant Insurance Company? 20 A. Yes, to the best of my knowledge. 21 Q. And as I have asked before, do we agree 22 that the manager, Chubb & Son, a Division of Federal 23 Insurance Company, has the authority to effect, sign, 24 countersign and issue, all policies or contracts of 25 insurance in the name of Vigilant Insurance Company?</p>	<p style="text-align: right;">Page 57</p> <p>1 A. Agreed. 2 Q. To the best of your knowledge, is 3 Exhibit 22 the complete agreement between -- service 4 management agreement between Chubb Indemnity 5 Insurance Company and Chubb & Son, a Division of 6 Federal Insurance? 7 A. Yes, agree, to the best of my knowledge. 8 Q. And do we agree that Chubb & Son, a 9 Division of Federal, has the authority under this 10 agreement to effect, sign, countersign, issue, all 11 policies or contracts of insurance sold in the name 12 of Chubb Indemnity Insurance Company or issued in the 13 name of Chubb Indemnity Insurance Company? 14 A. Agreed. 15 (Exhibit 23, Agreement and Addendum 16 Between Chubb National Insurance Company and Chubb & 17 Son, a Division of Federal Insurance Company, marked 18 for identification, as of this date.) 19 Q. So Exhibit 23 is before you. Do we 20 agree it includes an agreement with an effective date 21 of January 1, 1998 between Chubb National Insurance 22 Company and Chubb & Son, a Division of Federal 23 Insurance Company, as well as an addendum with an 24 effective date of December 31, 2007? 25 A. Yes.</p>

JOHN TAYLOR - 08/02/2018

Pages 58..61

<p style="text-align: right;">Page 58</p> <p>1 Q. And to the best of your knowledge, this</p> <p>2 is a complete management/service agreement between</p> <p>3 Chubb National Insurance Company and Chubb & Son, a</p> <p>4 Division of Federal?</p> <p>5 A. Yes, to the best of my knowledge.</p> <p>6 Q. Okay. And as I've asked again, under</p> <p>7 this agreement, Chubb & Son, a Division of Federal,</p> <p>8 has the authority to effect, sign, countersign,</p> <p>9 issue, all policies or contracts of insurance issued</p> <p>10 in the name of Chubb National Insurance Company,</p> <p>11 agreed?</p> <p>12 A. Agreed.</p> <p>13 (Exhibit 24, Agreement and Addendums</p> <p>14 Between Executive Risk Specialty Insurance Company</p> <p>15 and Chubb & Son, a Division of Federal Insurance</p> <p>16 Company, marked for identification, as of this date.)</p> <p>17 Q. Exhibit 24 is before you. Do we agree</p> <p>18 it includes or it is an agreement dated or effective</p> <p>19 January 1, 2000 between Executive Risk Specialty</p> <p>20 Insurance Company and Chubb & Son, a Division of</p> <p>21 Federal Insurance, as well as an addendum effective</p> <p>22 January 1, 2005 and an addendum No. 2 effective</p> <p>23 January 1, 2008 and an addendum No. 3 effective</p> <p>24 December 31, 2007, and an addendum 4 effective</p> <p>25 January 1, 2008?</p>	<p style="text-align: right;">Page 60</p> <p>1 first day of January 2008, as well as addendum No. 3</p> <p>2 effective December 31, 2007. Agreed?</p> <p>3 A. Yes, yes.</p> <p>4 Q. And then to the best of your knowledge,</p> <p>5 this is the complete agreement on this subject matter</p> <p>6 between Executive Risk Indemnity and Chubb</p> <p>7 Insurance -- I'm sorry, and Chubb & Son, a Division</p> <p>8 of Federal?</p> <p>9 A. Yes, to the best of my knowledge.</p> <p>10 Q. And do we agree that pursuant to this</p> <p>11 agreement, Chubb & Son, a Division of Federal, is</p> <p>12 empowered to effect, sign, countersign, issue all</p> <p>13 policies or contracts of insurance issued in the name</p> <p>14 of Executive Risk Indemnity?</p> <p>15 A. Yes, agreed.</p> <p>16 (Exhibit 26, Agreement and Addendum</p> <p>17 Between Great Northern Insurance Company and Chubb &</p> <p>18 Son, a Division of Federal Insurance Company, marked</p> <p>19 for identification, as of this date.)</p> <p>20 Q. With Exhibit 26 before you, let's go</p> <p>21 through it.</p> <p>22 This includes an agreement dated</p> <p>23 January 1, 1998 between Great Northern Insurance</p> <p>24 Company and Chubb & Son, a Division of Federal</p> <p>25 Insurance Company, plus an addendum effective</p>
<p style="text-align: right;">Page 59</p> <p>1 A. Agreed.</p> <p>2 Q. And to your knowledge, this is the</p> <p>3 complete agreement for management or services between</p> <p>4 Executive Risk Specialty Insurance Company and Chubb</p> <p>5 & Son, a Division of Federal?</p> <p>6 A. Yes, to the best of my knowledge.</p> <p>7 Q. And do we agree that pursuant to this</p> <p>8 agreement, Chubb & Son, a Division of Federal, has</p> <p>9 the authority to effect, sign, countersign and issue</p> <p>10 all such policies of insurance issued in the name of</p> <p>11 Executive Risk Specialty Insurance Company?</p> <p>12 A. Yes, agreed.</p> <p>13 (Exhibit 25, Agreement and Addendums</p> <p>14 Between Executive Risk Indemnity, Inc. and Chubb &</p> <p>15 Son, a Division of Federal Insurance Company, marked</p> <p>16 for identification, as of this date.)</p> <p>17 Q. So you now have Exhibit 25 before you.</p> <p>18 Do you?</p> <p>19 A. Yes. I'm sorry.</p> <p>20 Q. So we can do this together again.</p> <p>21 Exhibit 25 includes an agreement between</p> <p>22 Executive Risk Indemnity, Inc. and Chubb & Son, a</p> <p>23 Division of Federal, effective January 1, 2000 and</p> <p>24 addendum No. 2 effective January 2005, although the</p> <p>25 first page of addendum No. 2 also says effective the</p>	<p style="text-align: right;">Page 61</p> <p>1 December 31, 2007. Agreed?</p> <p>2 A. Agreed.</p> <p>3 Q. And to your knowledge, this is the</p> <p>4 complete agreement on this subject matter between</p> <p>5 Great Northern Insurance Company and Chubb & Son, a</p> <p>6 Division of Federal?</p> <p>7 A. To the best of my knowledge, yes.</p> <p>8 Q. And pursuant to this agreement, Chubb &</p> <p>9 Son, a Division of Federal, is empowered to effect,</p> <p>10 sign, countersign, and issue all policies or</p> <p>11 contracts of insurance and reinsurance issued in the</p> <p>12 name of Great Northern Insurance Company. Agreed?</p> <p>13 A. Agreed.</p> <p>14 (Exhibit 27, Agreement and Addendum</p> <p>15 Between Chubb Insurance Company of New Jersey and</p> <p>16 Chubb & Son, a Division of Federal Insurance Company,</p> <p>17 marked for identification, as of this date.)</p> <p>18 Q. So Exhibit 27 before you, do we agree</p> <p>19 that we have a management agreement made this first</p> <p>20 day of January 1998 as well as an addendum effective</p> <p>21 December 31, 2007 between Chubb Insurance Company of</p> <p>22 New Jersey and Chubb & Son, a Division of Federal,</p> <p>23 agreed?</p> <p>24 A. Agreed.</p> <p>25 Q. Okay. And to the best of your</p>

JOHN TAYLOR - 08/02/2018

Pages 62..65

<p style="text-align: right;">Page 62</p> <p>1 knowledge, this is the complete agreement for 2 management services between Chubb Insurance Company 3 of New Jersey and Chubb & Son, a Division of Federal? 4 A. Agreed, yes. To the best of my 5 knowledge. 6 Q. And do we agree that pursuant to this 7 agreement, the manager, Chubb & Son, a Division of 8 Federal, has the power to bind, sign, countersign and 9 issue all policies of insurance or contracts issued 10 in the name of Chubb Insurance Company of New Jersey? 11 A. Agreed. 12 (Exhibit 28, Service Agreement Between 13 Chubb & Son, Inc. of Illinois and Federal Insurance 14 Company, marked for identification, as of this date.) 15 Q. Do we agree, Mr. Taylor, that Exhibit 28 16 is a service agreement so titled between Chubb and -- 17 between Chubb & Son, Inc. of Illinois and Federal 18 Insurance Company effective January 1, 1998? 19 A. I agree. 20 Q. Okay. And then as we go on in the 21 document, Chubb & Son, Inc., do we agree that Chubb & 22 Son, Inc., is not Chubb & Son, a Division of Federal? 23 A. Agreed. 24 Q. Okay. And then we have Chubb & Son, 25 Inc. which is referred to as CCM, and acknowledges in</p>	<p style="text-align: right;">Page 64</p> <p>1 then, that -- so the -- by way of this agreement, the 2 services provided to Chubb Custom Insurance, are 3 provided by Federal under this agreement of Federal 4 with Chubb & Son, Inc.? 5 MR. FLEMING: That question was unclear. 6 I mean, at some point, I think you started another 7 question and it was unclear when you did that. You 8 just want him to confirm that you were reading 9 something -- 10 MR. HINDERAKER: I want to -- no. Let's 11 start over again. 12 Q. I want to have your understanding of 13 Exhibit 28. 14 Paragraph 1 says that Federal shall 15 provide facilities and services to CCM, agreed? 16 A. I don't see that in paragraph 1. 17 Q. 1, quote -- 18 A. Oh, I'm sorry. I'm looking at the very 19 first paragraph. I apologize. 20 Q. Paragraph numbered 1, "Federal shall 21 provide facilities and services to CCM." 22 A. Correct. 23 Q. Okay. And under the second paragraph, 24 the first whereas clause, we know that CCM has a 25 service agreement with Chubb Custom Insurance</p>
<p style="text-align: right;">Page 63</p> <p>1 the whereas clause that it has a service agreement 2 with Chubb Custom Insurance, agreed? You see in that 3 first whereas clause? 4 A. You're talking about the second 5 paragraph on the first page? 6 Q. I am. 7 A. I'm sorry, can you repeat the question. 8 Q. Yeah. I just want to walk through the 9 document so we both have a similar understanding. 10 A. Okay. 11 Q. So you see in the second paragraph -- 12 well, in the first paragraph, Chubb & Son, Inc. is 13 hereafter collectively designated as CCM? 14 A. Okay. Yes. 15 Q. All right. Then in the next paragraph, 16 CCM has a service agreement with Chubb Custom 17 Insurance Company. And the next paragraph, Federal 18 provides operations services for insurance companies. 19 And the next paragraph, CCM believes the services 20 provided under this agreement will result in greater 21 efficiency and economy of operation for itself and CI 22 and CCIC. 23 Now, therefore, Federal shall provide 24 the facilities and services to CCM, meaning Chubb & 25 Son, Inc., and is it true through this agreement,</p>	<p style="text-align: right;">Page 65</p> <p>1 Company. 2 A. I'm sorry, where are you again? This 3 is -- 4 Q. Right here. 5 A. This is confusing a little bit. Oh, the 6 second paragraph. I'm sorry, correct. 7 Q. All right. And is it your understanding 8 that by way of this agreement, 28, Federal provides 9 facilities and services to CCM through which, CCM 10 provides -- through which, CCM meets its service 11 agreement obligations with Chubb Custom Insurance? 12 A. Correct. 13 Q. In your preparation for the deposition 14 today, did you see the service agreement between CCM 15 and Chubb Custom Insurance Company? 16 A. No. 17 Q. As a practical matter, do you have any 18 reason to suggest that the services provided to Chubb 19 Custom Markka by Federal through CCM are any 20 different than the kind of services provided by Chubb 21 & Son and the various other agreements we've looked 22 at? 23 A. No, not to the best of my knowledge. 24 MR. HINDERAKER: I just have to take a 25 couple minute break. There is a couple of documents</p>

JOHN TAYLOR - 08/02/2018

Pages 66..69

<p style="text-align: right;">Page 66</p> <p>1 that I'm not finding or they got lost between here</p> <p>2 and there.</p> <p>3 THE VIDEOGRAPHER: The time is</p> <p>4 10:50 a.m. and we're going off the record.</p> <p>5 (Discussion off the record.)</p> <p>6 (Exhibit 29, Service Agreement and</p> <p>7 Addendum Between Chubb Lloyd's Insurance Company of</p> <p>8 Texas and Federal Insurance Company, marked for</p> <p>9 identification, as of this date.)</p> <p>10 THE VIDEOGRAPHER: The time is</p> <p>11 11:05 a.m. and we're back on the record.</p> <p>12 Q. The court reporter has put in front of</p> <p>13 you, Mr. Taylor, Exhibit 29. And as we've done with</p> <p>14 the others, let's identify its components.</p> <p>15 We have a service agreement between</p> <p>16 Chubb Lloyd's Insurance Company of Texas and Federal</p> <p>17 Insurance Company, signed the first day of January,</p> <p>18 1998, as well as addendum No. 2, on its facing page</p> <p>19 saying effective first day of January -- I'm sorry,</p> <p>20 being -- addendum No. 2 being effective December 31,</p> <p>21 2007; and to your best knowledge, is this the</p> <p>22 complete agreement between Chubb Lloyd's Insurance</p> <p>23 Company of Texas and Federal Insurance Company?</p> <p>24 A. Yes, to the best of my knowledge.</p> <p>25 Q. Okay. And do we agree that pursuant to</p>	<p style="text-align: right;">Page 68</p> <p>1 sir.</p> <p>2 If we -- this time, let's start from the</p> <p>3 front of the document.</p> <p>4 A. Okay.</p> <p>5 Q. So we have a services agreement</p> <p>6 effective January 1, 1998 between Federal Insurance</p> <p>7 Company and Chubb Insurance Company of Canada as well</p> <p>8 as an addendum effective December 31, 2007 and an</p> <p>9 addendum No. 2 effective January 1, 2008, and then on</p> <p>10 the Bates numbered page 5, there's another addendum</p> <p>11 effective December 31, 2007. Agreed?</p> <p>12 A. Yes.</p> <p>13 Q. And to the best of your knowledge, is</p> <p>14 this the complete service agreement with Chubb</p> <p>15 Insurance Company of Canada?</p> <p>16 A. To the best of my knowledge, yes.</p> <p>17 Q. Did you tell us already, and forgive me</p> <p>18 if you have, did you tell us that Chubb Insurance</p> <p>19 Company of Canada as of today, is no longer a</p> <p>20 wholly-owned subsidiary of Federal?</p> <p>21 A. I don't recall if I said that or not, to</p> <p>22 be honest.</p> <p>23 Q. Is it true that Chubb Insurance Company</p> <p>24 of Canada as of today is no longer -- is not a</p> <p>25 wholly-owned subsidiary of Federal?</p>
<p style="text-align: right;">Page 67</p> <p>1 this Exhibit 29 -- actually, do we agree that</p> <p>2 paragraph No. 2 on the bottom of the third page and</p> <p>3 the fourth page, that Federal shall provide all</p> <p>4 facilities, services and personnel necessary to</p> <p>5 conduct all the operations of Lloyd's, agreed?</p> <p>6 A. Correct, that's what it says.</p> <p>7 Q. And that's the authority that this</p> <p>8 agreement grants to Federal?</p> <p>9 A. Correct.</p> <p>10 Q. Are you aware -- to your best knowledge,</p> <p>11 are all of the management and service agreements we</p> <p>12 just went through effective today as well?</p> <p>13 A. Yes, with the exception of Texas Pacific</p> <p>14 Insurance Company, because that no longer exists.</p> <p>15 Q. Okay. Thank you.</p> <p>16 And while Texas Pacific Insurance</p> <p>17 Company no longer exists, were all of its operations</p> <p>18 brought in to Pacific Indemnity?</p> <p>19 A. Correct. Pacific Indemnity was the</p> <p>20 surviving company.</p> <p>21 (Exhibit 30, Services Agreement and</p> <p>22 Addendums Between Federal Insurance Company and Chubb</p> <p>23 Insurance Company of Canada, marked for</p> <p>24 identification, as of this date.)</p> <p>25 Q. And let's look at Exhibit 30 together,</p>	<p style="text-align: right;">Page 69</p> <p>1 A. I don't know.</p> <p>2 Q. Okay. We'll look at some other</p> <p>3 documents that maybe will help us on that.</p> <p>4 A. Okay.</p> <p>5 Q. To the best of your knowledge, is this</p> <p>6 agreement, this agreement, Exhibit 30, in full force</p> <p>7 and effect today?</p> <p>8 A. I don't know. To the best of my</p> <p>9 knowledge.</p> <p>10 Q. To the best of your knowledge, it is?</p> <p>11 A. To the best of my knowledge it is, yes,</p> <p>12 but I don't know for sure.</p> <p>13 (Exhibit 31, Service Agreement and</p> <p>14 Amendments Between Chubb Insurance Company of</p> <p>15 Australia Limited and Chubb & Son, a Division of</p> <p>16 Federal, marked for identification, as of this date.)</p> <p>17 Q. Well, let's start at the front of this</p> <p>18 document as well. That Exhibit 31 includes an</p> <p>19 amendment No. 3 effective January 1, 2008 and</p> <p>20 amendment No. 2 effective December 31, 2007 plus</p> <p>21 amendment No. 1, and that is signed by Chubb & Son, a</p> <p>22 Division of Federal, on July 31, 2002; and then</p> <p>23 beginning on Bates numbered page 6, we have a service</p> <p>24 agreement. Agreed?</p> <p>25 A. Agreed.</p>

JOHN TAYLOR - 08/02/2018

Pages 70..73

<p style="text-align: right;">Page 70</p> <p>1 Q. All right. And to the best of your</p> <p>2 knowledge, this is the complete service agreement</p> <p>3 between Chubb Insurance Company of Australia Limited</p> <p>4 and Chubb & Son, a Division of Federal Insurance</p> <p>5 Company?</p> <p>6 A. Yes, to the best of my knowledge.</p> <p>7 Q. Is it true that as of today, Chubb</p> <p>8 Insurance Company of Australia is not a wholly-owned</p> <p>9 subsidiary of Federal Insurance Company?</p> <p>10 A. Correct.</p> <p>11 Q. Do you know if agreement -- this</p> <p>12 agreement, Exhibit 31, continues in full force and</p> <p>13 effect as of today?</p> <p>14 A. No, I do not.</p> <p>15 Q. You don't know one way or the other?</p> <p>16 A. Correct.</p> <p>17 Q. You don't know that it's not, either?</p> <p>18 A. Correct.</p> <p>19 Q. Okay.</p> <p>20 (Exhibit 32, Service Agreement and</p> <p>21 Amendment Between Federal Insurance Company and ACE</p> <p>22 American Insurance Company, marked for</p> <p>23 identification, as of this date.)</p> <p>24 Q. So let's look at Exhibit 32. So</p> <p>25 Exhibit 32 includes, if we look at the Bates numbered</p>	<p style="text-align: right;">Page 72</p> <p>1 provider, and when services are received, the</p> <p>2 agreement calls that entity service recipient,</p> <p>3 agreed?</p> <p>4 A. Correct. That's what the document says.</p> <p>5 Q. Okay. So under this agreement, services</p> <p>6 can be provided between Federal Insurance Company and</p> <p>7 ACE American Insurance Company; and if they're the</p> <p>8 recipient, they'll call it service recipient, if</p> <p>9 they're provider, they'll call it service provider?</p> <p>10 A. Correct. That's what the agreement</p> <p>11 says.</p> <p>12 Q. And then if we go to the back end of the</p> <p>13 exhibit, there is addendum A, and we agree that --</p> <p>14 MR. FLEMING: What Bates stamp are we</p> <p>15 talking about?</p> <p>16 MR. HINDERAKER: I was talking about</p> <p>17 Bates No. 12.</p> <p>18 MR. FLEMING: I don't have 12.</p> <p>19 MR. HINDERAKER: You don't?</p> <p>20 THE WITNESS: The very last page.</p> <p>21 MR. FLEMING: Oh, Bates stamp. I got</p> <p>22 it. Okay. I was looking at page, not Bates stamp.</p> <p>23 MR. HINDERAKER: Okay. Now you have it?</p> <p>24 MR. FLEMING: I do.</p> <p>25 Q. So look at the service agreement</p>
<p style="text-align: right;">Page 71</p> <p>1 3, a service agreement effective March 14, 2016</p> <p>2 between Federal Insurance Company and ACE American</p> <p>3 Insurance Company as well as an amendment that is</p> <p>4 dated on the second page, February 22, 2018.</p> <p>5 Have I accurately described Exhibit 32?</p> <p>6 A. Yes. Yes.</p> <p>7 Q. And to your knowledge, is this the</p> <p>8 complete agreement between Federal Insurance Company</p> <p>9 and ACE American Insurance Company with respect to</p> <p>10 the subject matter of this services agreement?</p> <p>11 A. To the best of my knowledge, yes.</p> <p>12 Q. Okay. Now, for context, we agree that</p> <p>13 March 14, 2016 is post-merger?</p> <p>14 A. Agreed.</p> <p>15 Q. So I would like to get your</p> <p>16 understanding of the service agreement before moving</p> <p>17 to your understanding of amendment No. 1. Let's see</p> <p>18 if we can read it together.</p> <p>19 The first whereas clause tells us that</p> <p>20 the parties, Federal Insurance Company and ACE</p> <p>21 American Insurance Company, provide services to each</p> <p>22 other under this agreement. So far, correct?</p> <p>23 A. Correct. That's what it says.</p> <p>24 Q. Okay. And that when services are</p> <p>25 provided, the agreement calls that entity the service</p>	<p style="text-align: right;">Page 73</p> <p>1 paragraph numbered 1. It tells us that such services</p> <p>2 are set forth in addendum A to this agreement.</p> <p>3 A. I'm sorry, where are you at?</p> <p>4 Q. Paragraph No. 1, performance standards</p> <p>5 for services.</p> <p>6 A. Okay. Thank you.</p> <p>7 Q. And then the agreement includes an</p> <p>8 addendum A that identifies the services of this</p> <p>9 agreement, correct?</p> <p>10 A. Yes, it does appear to, yes.</p> <p>11 Q. And then your Exhibit 32 has an addendum</p> <p>12 A and a list of services, correct?</p> <p>13 A. Correct.</p> <p>14 Q. All right. Then we have amendment No.</p> <p>15 1, and by the way, have you seen this document</p> <p>16 before?</p> <p>17 A. Not that -- no, not that I recall.</p> <p>18 Q. Okay. Let's see if your understanding</p> <p>19 is similar to mine.</p> <p>20 It has some whereas clauses, and then</p> <p>21 "So now, therefore, the parties agree as follows; the</p> <p>22 following entities shall be added to the agreement as</p> <p>23 service recipients of ACE American." And then it</p> <p>24 lists a number of entities. You see that? And all</p> <p>25 of the entities that it lists are wholly-owned</p>

JOHN TAYLOR - 08/02/2018

Pages 74..77

<p style="text-align: right;">Page 74</p> <p>1 subsidiaries of Federal Insurance, correct?</p> <p>2 A. At what time period?</p> <p>3 Q. Well, before the merger and after the</p> <p>4 merger.</p> <p>5 A. That is I believe incorrect.</p> <p>6 Q. Which one is not -- which one or ones is</p> <p>7 not a wholly-owned subsidiary of Federal after the</p> <p>8 merger?</p> <p>9 A. I believe we said before Great Northern</p> <p>10 and Executive Risk.</p> <p>11 Q. Well, I hadn't understood -- okay. With</p> <p>12 those exceptions, all the other entities are</p> <p>13 wholly-owned subsidiaries of Federal before and after</p> <p>14 the merger?</p> <p>15 A. Technically, Lloyd's is not a</p> <p>16 subsidiary. It's an affiliated company.</p> <p>17 Q. Okay. Any other qualifications to my</p> <p>18 question?</p> <p>19 A. No.</p> <p>20 Q. Okay. And the amendment, this amendment</p> <p>21 No. 1, as we said, is effective January 1st, 2018.</p> <p>22 So do you have an understanding of how</p> <p>23 this amendment No. 1 affects the service agreements</p> <p>24 that we've looked at between Chubb & Son, a Division</p> <p>25 of Federal, or between Federal and these various</p>	<p style="text-align: right;">Page 76</p> <p>1 question. I'm not -- I forget the exact date, but</p> <p>2 now Federal no longer has employees. Employees were</p> <p>3 moved to ACE American at -- I believe it was 1/1/17.</p> <p>4 Q. So as of, let's say, as of today, the</p> <p>5 services and management obligations that Federal or</p> <p>6 Chubb & Son, a Division of Federal, provided to these</p> <p>7 various entities, those management and services are</p> <p>8 now being provided to these various entities by way</p> <p>9 of ACE American Insurance providing those services to</p> <p>10 Federal?</p> <p>11 I think I could try to make this more</p> <p>12 simple.</p> <p>13 ACE American Insurance provides listed</p> <p>14 services to Federal. And by way of doing that, meets</p> <p>15 Federal's obligations to the various entities under</p> <p>16 Federal -- Chubb & Son's, a Division of Federal's,</p> <p>17 management services agreement?</p> <p>18 MR. FLEMING: Objection, multiple</p> <p>19 questions.</p> <p>20 A. ACE American -- to the best of my</p> <p>21 knowledge, yes, I would agree with that. ACE</p> <p>22 American provides services to Federal.</p> <p>23 Q. Okay. Same set of services that Federal</p> <p>24 was, and is obligated under those contracts, assuming</p> <p>25 its in full force and effect, to provide to the other</p>
<p style="text-align: right;">Page 75</p> <p>1 entities and all of these entities?</p> <p>2 A. I'm not sure it would have any impact.</p> <p>3 Q. Okay. And why do you say that?</p> <p>4 A. The agreements are still -- the other</p> <p>5 agreements are still in place.</p> <p>6 Q. Okay. And do you know one way or the</p> <p>7 other whether, by way of Exhibit 32, ACE American</p> <p>8 Insurance Company is providing the services to these</p> <p>9 other entities that meet Federal's obligations under</p> <p>10 its contracts?</p> <p>11 A. Could you repeat that.</p> <p>12 Q. Sure. We just looked at a number of</p> <p>13 service management agreements between Federal or</p> <p>14 Chubb & Son, a Division of Federal. You just said</p> <p>15 that all of those management service agreements to</p> <p>16 your knowledge still exist.</p> <p>17 And my question is whether you</p> <p>18 understand that -- and I'm not saying -- whether you</p> <p>19 understand one way or another, that pursuant to</p> <p>20 amendment No. 1 to this service agreement 32, all of</p> <p>21 the services that Chubb & Son, a Division, or Federal</p> <p>22 provided to those various entities, is now being --</p> <p>23 is now being met by ACE American Insurance Company.</p> <p>24 Do you understand that question?</p> <p>25 A. I understand that -- I understand that</p>	<p style="text-align: right;">Page 77</p> <p>1 named insurance entities?</p> <p>2 A. The services are listed in --</p> <p>3 Q. Addendum A?</p> <p>4 A. -- addendum A.</p> <p>5 Q. Yeah. Okay.</p> <p>6 So as you've told us, Federal Insurance</p> <p>7 Company, effective January 1, 2017, has no employees,</p> <p>8 today -- well, effective January -- let me back up.</p> <p>9 Today, does Federal insurance Company</p> <p>10 own any property, assets?</p> <p>11 MR. FLEMING: Objection, outside the</p> <p>12 scope, it's not covered by any of the topics we</p> <p>13 agreed upon for this witness.</p> <p>14 MR. HINDERAKER: Understood.</p> <p>15 A. Could you repeat that. I'm sorry.</p> <p>16 Q. Were all of the -- were all of the --</p> <p>17 all of the assets, all of the properties of Federal</p> <p>18 Insurance Company, acquired by American Insurance</p> <p>19 Company?</p> <p>20 MR. FLEMING: Same objection.</p> <p>21 A. No.</p> <p>22 Q. Okay. How did it come to pass that</p> <p>23 Federal Insurance Company has no employees?</p> <p>24 MR. FLEMING: Same objection.</p> <p>25 A. That was above my pay grade.</p>

JOHN TAYLOR - 08/02/2018

Pages 78..81

<p style="text-align: right;">Page 78</p> <p>1 Q. Okay. Do you know what -- do you know 2 if there was -- okay. You just don't know? 3 A. I don't know. 4 Q. We were told a couple of days ago that 5 Chubb & Son, a Division of Federal, has pre-merger 6 computer servers that were located in North Carolina, 7 and those services were supported by Federal, 8 employees of Chubb & Son, a Division of Federal, 9 employees. 10 After January 1st, 2017, do you know who 11 owns those servers in North Carolina? 12 MR. FLEMING: Same objection. Outside 13 the scope, not conceivably covered by any of these 14 topics. 15 A. No. 16 Q. Okay. And as of January 1st, 2017, did 17 all of the employees of Federal or Chubb & Son, a 18 Division of Federal, become employees of ACE American 19 Insurance Company? 20 MR. FLEMING: Same objection. 21 A. To the best of my knowledge. 22 (Exhibit 33, Federal Insurance Company 23 Organizational Chart, marked for identification, as 24 of this date.) 25 Q. We're going to talk about something else</p>	<p style="text-align: right;">Page 80</p> <p>1 date.) 2 Q. Okay. Mr. Taylor, Exhibit 34 is a 3 document that was produced to FICO in the context of 4 litigation as Federal 000060_0001 and 2, and take 5 your time that you would like. I'll represent that 6 the -- it is an exhibit from -- a year end statement 7 of the Chubb Corporation December 31, 2013. And I 8 would like you to confirm that it accurately 9 identifies those subsidiaries of -- the wholly-owned 10 subsidiaries of Federal as of its date. 11 A. Yes, it appears to. 12 Q. All right. Exhibit 34 includes as a 13 subsidiary, Chubb Capital Limited, and I'll represent 14 that was not in the December 31, 2008 document. 15 Do you know if Chubb Capital Limited has 16 been -- is in the sale of selling insurance? 17 A. No, I do not. 18 Q. Don't know one way or the other? 19 A. No, I do not. 20 Q. Okay. 21 (Exhibit 35, 2014 Chubb Corporation Year 22 End Statement, marked for identification, as of this 23 date.) 24 Q. Mr. Taylor, Exhibit 35 is a very similar 25 agreement only for the time period December 31, 2014.</p>
<p style="text-align: right;">Page 79</p> <p>1 now. 2 Exhibit 33 is a blow up of another 3 document that was produced to us in the litigation, 4 Federal 004420_001. You can look at the original if 5 you want, but I think the bigger blow up is easier, 6 so we agree we're looking at a document where, in the 7 key at the right hand bottom, it says as of 8 December 31, 2008. With me so far? 9 A. Yes. 10 Q. Agreed. Okay. And then I would like 11 you to confirm that to the best of your knowledge, as 12 of December 31, 2008, this exhibit is giving us the 13 organizational structure of Federal Insurance 14 Company. 15 A. To the best of my knowledge. That's 16 what the document says. 17 Q. Okay. And so for context later on, we 18 can -- can we agree that as of the end of December, 19 2008, Chubb Insurance Company of Europe, Chubb 20 Insurance Company of Canada, and Chubb Insurance 21 Company of Australia Limited are all wholly-owned 22 subsidiaries of Federal? 23 A. That's what the chart indicates, yes. 24 (Exhibit 34, 2013 Chubb Corporation Year 25 End Statement, marked for identification, as of this</p>	<p style="text-align: right;">Page 81</p> <p>1 And to the best of your knowledge, does 2 this accurately show the wholly-owned subsidiaries of 3 Federal Insurance Company as of this time frame? 4 A. Yes, it appears to. 5 (Exhibit 36, 2016 Chubb Limited 10-K, 6 marked for identification, as of this date.) 7 Q. Do we agree that Exhibit 36 is a 10-K 8 submission to the United States Securities and 9 Exchange Commission for the period ending December 31, 10 2016 on behalf of Chubb Limited? 11 A. Correct, it appears that. 12 (Exhibit 37, 2016 Chubb Limited 10-K 13 Excerpt, marked for identification, as of this date.) 14 Q. Exhibit 37, you'll see from the first 15 page, says it is a sub document, Exhibit 21.1, and 16 I'll represent that it is from the December 31, 2016 17 10-K that we just identified as Exhibit 36. If you 18 would like to confirm that, feel free. If you're 19 willing to -- or are willing to accept my 20 representation, we'll move on. 21 A. I will accept your representation. 22 Q. All right. And so then if we go to the 23 Bates numbered page 6. 24 Do we agree that this states the 25 wholly-owned subsidiaries of Federal Insurance</p>

JOHN TAYLOR - 08/02/2018

Pages 82..85

<p style="text-align: right;">Page 82</p> <p>1 Company as of year end 2016?</p> <p>2 A. It appears to, yes.</p> <p>3 Q. To the best of your knowledge, it does?</p> <p>4 A. To the best of my knowledge, it appears</p> <p>5 to, yes.</p> <p>6 Q. Okay. So do we agree that as of</p> <p>7 December 31, 2016, Chubb Insurance Company of Europe</p> <p>8 SE is not a Federal subsidiary?</p> <p>9 A. I'm sorry, as of what -- what date?</p> <p>10 Q. This document is an SEC report for the</p> <p>11 year ending December 31, 2016.</p> <p>12 A. Okay.</p> <p>13 Q. And so my question was to have you</p> <p>14 confirm that as of the date of this -- as of the time</p> <p>15 frame for reporting, that is, December 31, 2016,</p> <p>16 Chubb Insurance Company of Europe is not a Federal</p> <p>17 subsidiary.</p> <p>18 A. Correct. It appears that way, based on</p> <p>19 this document.</p> <p>20 Q. And why don't we go to the Bates</p> <p>21 numbered 10.</p> <p>22 And at the top, do you read this</p> <p>23 document as telling us that Chubb Insurance Company</p> <p>24 of Europe SE is, as of this time, a subsidiary of</p> <p>25 Chubb Insurance Investment Holdings Limited?</p>	<p style="text-align: right;">Page 84</p> <p>1 of Federal?</p> <p>2 A. Agreed. It appears that way in this</p> <p>3 document, yes.</p> <p>4 Q. Okay. So can we agree that sometime</p> <p>5 between September 30, 2016 and December 31, 2016,</p> <p>6 Chubb Insurance Company of Europe was no longer a</p> <p>7 subsidiary of Federal?</p> <p>8 A. Based upon these documents, yes, I would</p> <p>9 agree.</p> <p>10 Q. Okay. And as of -- and as of today,</p> <p>11 Chubb Insurance Company of Europe SE is not a</p> <p>12 subsidiary of Federal?</p> <p>13 A. To the best of my knowledge, nothing has</p> <p>14 changed.</p> <p>15 Q. Okay. Let's go back to Exhibit 37, and</p> <p>16 if I could put you to Bates numbered page 6. And</p> <p>17 again, as a reminder, Exhibit 37 is speaking for the</p> <p>18 time period ending December 31, 2016.</p> <p>19 So looking at Bates page numbered 6, do</p> <p>20 we agree that Chubb Insurance Company of Canada is</p> <p>21 not a Federal subsidiary?</p> <p>22 A. Agreed, based upon this document, yes.</p> <p>23 Q. Okay. And then if we go to Bates</p> <p>24 numbered page 11 in the same exhibit, do we agree</p> <p>25 that Chubb Insurance Company of Canada is a</p>
<p style="text-align: right;">Page 83</p> <p>1 A. It appears to be based on this document,</p> <p>2 correct.</p> <p>3 Q. And based on this document, Chubb</p> <p>4 Insurance Investment Holdings Limited is a subsidiary</p> <p>5 of Chubb INA Overseas Holdings, Inc.?</p> <p>6 A. Based upon this document, it appears to</p> <p>7 be, yes.</p> <p>8 Q. Okay.</p> <p>9 (Exhibit 38, Multi-Page Document, marked</p> <p>10 for identification, as of this date.)</p> <p>11 Q. Have you seen Exhibit 38 before?</p> <p>12 A. It looks familiar.</p> <p>13 Q. Okay. In what context do you recall</p> <p>14 seeing it?</p> <p>15 A. Just my normal day-to-day activities.</p> <p>16 Q. Got it. All right.</p> <p>17 Let us -- if I can direct your attention</p> <p>18 to the Bates numbered page 13.</p> <p>19 And keep your finger on 13 and then for</p> <p>20 context of the question, Exhibit 38 says on its face</p> <p>21 as of September 30, 2016. Okay?</p> <p>22 A. Agreed.</p> <p>23 Q. So can we agree looking at Bates</p> <p>24 numbered page 13, that as of September 30, 2016,</p> <p>25 Chubb Insurance Company of Europe SE is a subsidiary</p>	<p style="text-align: right;">Page 85</p> <p>1 wholly-owned subsidiary of Chubb Holdings Canada</p> <p>2 Limited?</p> <p>3 A. Agreed, based upon this document, yes.</p> <p>4 Q. Okay. And then based upon this</p> <p>5 document, do we agree that Chubb Holdings Canada</p> <p>6 Limited is itself a subsidiary of Chubb Canada</p> <p>7 Holdings, Inc.?</p> <p>8 A. Agreed, based upon this document.</p> <p>9 Q. And then let's go back to Exhibit 38.</p> <p>10 Which, for context, is as of September 30, 2016. If</p> <p>11 we go to page Bates numbered 17.</p> <p>12 Do we agree that Chubb Insurance Company</p> <p>13 of Canada is not a subsidiary of Federal as of</p> <p>14 September 30, 2016?</p> <p>15 A. Agreed, based upon this document.</p> <p>16 Q. And do we agree that Chubb Insurance</p> <p>17 Company of Canada is not a subsidiary of Federal</p> <p>18 today?</p> <p>19 A. To the best of my knowledge.</p> <p>20 Q. Let's return to Exhibit 37. Go to Bates</p> <p>21 numbered page 6.</p> <p>22 Do we agree that Chubb Insurance Company</p> <p>23 of Australia is not a subsidiary of Federal as of</p> <p>24 December 31, 2016?</p> <p>25 A. Agreed, based upon this document.</p>

JOHN TAYLOR - 08/02/2018

Pages 86..89

<p style="text-align: right;">Page 86</p> <p>1 Q. Okay. And then let's go to Exhibit 38. 2 Go to Bates numbered page 5. 3 Based on this document, do we agree that 4 Chubb Insurance Company of Australia Limited became a 5 wholly-owned subsidiary of Chubb Holdings Australia 6 PTY effective April 1, 2016? 7 A. Agreed, based upon this document. 8 Q. Okay. So based upon this document, we 9 can say that at least as of April 1st, 2016, Chubb 10 Insurance Company of Australia was not a wholly-owned 11 subsidiary of Federal? 12 A. Based upon this document, yes. 13 Q. Okay. And do you have any reason to 14 disagree with information on the document? 15 A. None that I'm aware of, no. 16 Q. Okay. And speaking of today, Chubb 17 Insurance Company of Australia Limited is not a 18 wholly-owned subsidiary of Federal? 19 A. Correct, to the best of my knowledge, 20 yes. 21 Q. Continuing on with this corporate 22 structural organization, if you've told me this, I 23 apologize, but let me confirm that ACE American 24 Insurance Company is not a subsidiary of Federal? 25 A. That's correct.</p>	<p style="text-align: right;">Page 88</p> <p>1 Q. Okay. The whole point of that is this. 2 (Exhibit 40, 2017 Chubb Limited 10-K 3 Excerpt, marked for identification, as of this date.) 4 Q. I'm going to represent to you that 5 Exhibit 40 is a schedule or an exhibit from the 6 December 31, 2017 10-K that I just showed you. And 7 if you would like to confirm that, you have the 10-K 8 to do that. And if you want to take my 9 representation, that will be fine, too. 10 A. Just as with everything else, all the 11 other documents we reviewed, I'll take your 12 representation. 13 Q. Okay. Fair enough. 14 And we agree that Exhibit 40 includes, 15 beginning on -- at page 5 of 19, the identification 16 of the wholly-owned subsidiaries of Federal Insurance 17 Company as of the time period December 31, 2017? 18 A. It appears to, correct, yes. 19 Q. Okay. 20 MR. HINDERAKER: Let's go off the record 21 for a second. 22 THE VIDEOGRAPHER: The time is 23 11:58 a.m. and we're going off the record. 24 (Discussion off the record.) 25 (Exhibit 41, 2015 and 2016 Federal</p>
<p style="text-align: right;">Page 87</p> <p>1 Q. ACE American Insurance Company is a 2 sister to Federal; is that correct? 3 A. It's an affiliate. I'm not sure what 4 you mean by sister. 5 Q. Okay. An affiliate? 6 A. An affiliate. 7 Q. Federal Insurance Company and ACE 8 American Insurance Company have a common parent? 9 A. Ultimate common parent, yes. 10 Q. Ultimate through -- ultimately a common 11 parent called today Chubb Limited? 12 A. Correct. 13 MR. HINDERAKER: I'm just going to make 14 this an exhibit. 15 (Exhibit 39, 2017 Chubb Limited 10-K, 16 marked for identification, as of this date.) 17 MR. HINDERAKER: Exhibit 39, let me 18 represent, is a Chubb Limited 10-K for the period 19 ending December 31, 2017. I did not bring other 20 copies because I wanted to keep your load light 21 carrying home. 22 Q. And I don't have any more questions 23 about it, but I just wanted you to authenticate that 24 Exhibit 39 is a 10-K for the year ending 2017. 25 A. It appears to be, based on the document.</p>	<p style="text-align: right;">Page 89</p> <p>1 Insurance Company and its U.S. Insurance 2 Subsidiaries' Audited Consolidated Financial 3 Statements, marked for identification, as of this 4 date.) 5 THE VIDEOGRAPHER: The time is 12:09 6 p.m. and we're back on the record. 7 MR. HINDERAKER: I've had marked as 8 Exhibit 41 Federal Insurance Company and its U.S. 9 Insurance Subsidiaries' audited consolidated 10 financial statements, years ending December 31, 2016 11 and 2015. 12 Q. Are you familiar with this document? 13 A. Yes, I am. 14 Q. Did you have a role in preparing it? 15 A. Yes, I did. 16 Q. And were you one of the responsible 17 people in having it submitted to the NAIC? 18 A. They fell under my management, yes. 19 Q. And for the record, would you define the 20 acronym NAIC. 21 A. National Association of Insurance 22 Commissioners. 23 Q. So we agree that Exhibit 41 is an 24 audited statement prepared by PWC? 25 A. It appears to be.</p>

JOHN TAYLOR - 08/02/2018

Pages 90..93

<p style="text-align: right;">Page 90</p> <p>1 Q. Okay. Would you look at page 8, please, 2 8 of the document. And you see there is a note No. 3 3. 4 A. Yes. 5 Q. And you'll see that the consolidated 6 financial statements have been prepared in accordance 7 with the National Association of Insurance 8 Commissioner accounting practices and procedures 9 manual, with the exception of the permitted practice 10 described below. 11 If you can, can you tell me are there 12 material differences between the accounting practices 13 and procedures required by the NAIC for reporting and 14 Generally Accepted Accounting principles? 15 MR. FLEMING: Again, outside the scope 16 of the topics that we agreed upon prior to the 17 deposition under Rule 30(b)6 topics. 18 MR. HINDERAKER: Maybe it is, but that 19 doesn't matter. 20 Q. Go ahead. 21 A. There are some differences between U.S. 22 statutory and U.S. GAAP reporting. Was that your -- 23 -- what was your question? 24 Q. Whether the differences are material. 25 And I mean, are they material to the accuracy of the</p>	<p style="text-align: right;">Page 92</p> <p>1 A. It goes from 4 to 6. 2 Q. Okay. 3 MR. HINDERAKER: Do you have a page 5? 4 (Discussion held off the record.) 5 MR. HINDERAKER: Well, let's do the best 6 we can. 7 You can use my copy. We will use my 8 copy if we have to. 9 You know what I'll do is I will 10 supplement the record with making -- I'll get a full 11 copy of Exhibit 41 to the court reporter. I 12 apologize for that mess up. 13 Q. On page 5 there is a heading 14 underwriting, and then premiums earned, and it gives 15 me -- 16 MR. FLEMING: Can I see. 17 MR. HINDERAKER: Yeah, of course. 18 Q. I would like the definition of premiums 19 earned, that category. 20 MR. FLEMING: Same objection. That's 21 not within any of the topics identified in the Rule 22 30(b)6 notice. It's beyond that. This witness was 23 not prepared to respond to questions outside of those 24 topics. 25 Q. Mr. Taylor, can you tell me from your</p>
<p style="text-align: right;">Page 91</p> <p>1 final reporting? 2 MR. FLEMING: Foundation and beyond the 3 scope. 4 A. These statements are materially correct 5 as presented in accordance with U.S. statutory 6 reporting. 7 Q. Okay. And do you know how -- do you 8 know what differences there are between the U.S. 9 statutory reporting and GAAP as it relates to 10 reporting the financial performance of Federal and 11 its subsidiaries? 12 MR. FLEMING: Same objection. It's 13 beyond the scope of topics you identified in your 14 Rule 30(b)6 notice. 15 A. There are -- I'm trying to think. There 16 are certain aspects that are treated as not admitted 17 for statutory, but the focus of statutory is the 18 obligations of policy -- the policy holder 19 obligations to pay claims to policy holders. The 20 objective of GAAP is somewhat different. It's to 21 present -- it's to present things in a more ongoing 22 operations-type manner. 23 Q. Thank you. I appreciate that 24 background. 25 Let me direct you to page 5.</p>	<p style="text-align: right;">Page 93</p> <p>1 knowledge what premium earned means on this report. 2 A. It is the premium earned to match the 3 risk to -- the premium earned over the year which 4 would coincide with how a policy term runs. 5 Q. Earlier in the day, you told us what the 6 differences was between earned premium and direct 7 premium. 8 So is this statement premium earned a 9 different way of saying earned premium? 10 A. Correct. 11 Q. Okay. And as reported on page 5, this 12 is reporting in thousands, so one of the numbers 13 would be 8 billion, something, 8 billion 103,000? 14 A. Correct. 15 Q. Okay. Then I have to give you 16 unfortunately another out page, page 7; and it has 17 premiums net of commission and reinsurance. And so 18 I'll give you the page of it. 19 My question is going to be when it says 20 premiums -- 21 MR. FLEMING: Can I see it first. 22 MR. HINDERAKER: Sure. 23 MR. FLEMING: My question is what is 24 your plan with regard to this exhibit? You're going 25 to make a copy of it and replace it?</p>

JOHN TAYLOR - 08/02/2018

Pages 94..97

<p style="text-align: right;">Page 94</p> <p>1 MR. HINDERAKER: Yeah.</p> <p>2 Q. Okay. I had the question in mind for a</p> <p>3 lot of it. One of the descriptors there is premium.</p> <p>4 So my question is when it says premium</p> <p>5 on this report, is that the same thing as direct</p> <p>6 premium that you told us earlier, that you defined</p> <p>7 for us earlier?</p> <p>8 MR. FLEMING: Again, I'm objecting</p> <p>9 beyond the scope of the topics.</p> <p>10 MR. HINDERAKER: You can have a</p> <p>11 continuing objection.</p> <p>12 MR. FLEMING: I know that, but beyond</p> <p>13 the scope of the topics you identified to this</p> <p>14 witness was going to testify on. It's not covered by</p> <p>15 any one of them.</p> <p>16 MR. HINDERAKER: Oh, my goodness.</p> <p>17 A. This refers to premiums collected.</p> <p>18 Q. Premiums collected. Does that mean</p> <p>19 premiums on the policy sold and in that reporting</p> <p>20 year?</p> <p>21 A. No, not necessarily.</p> <p>22 Q. Okay. What does it mean that it's</p> <p>23 premiums collected?</p> <p>24 A. Premiums collected from insurance.</p> <p>25 Q. Over what time frame?</p>	<p style="text-align: right;">Page 96</p> <p>1 MR. HINDERAKER: I've heard you</p> <p>2 repeatedly. I'm going to carry on. The notion that</p> <p>3 a witness cannot testify to his personal knowledge in</p> <p>4 a 30(b)(6) deposition is simply wrong. But you can</p> <p>5 continue to waste our time with that objection and</p> <p>6 you can have it as a continuing.</p> <p>7 Q. So Mr. Taylor, I've shown you page 32</p> <p>8 and can I refresh myself about that in a minute.</p> <p>9 A. Sure.</p> <p>10 Q. So is page 32 in the far right end of</p> <p>11 the page, page 32 reports the consolidated premiums</p> <p>12 earned of the various subsidiaries of Federal and</p> <p>13 consolidated and the Federal premiums earned?</p> <p>14 MR. FLEMING: So what's the question?</p> <p>15 Q. Is that correct?</p> <p>16 A. No.</p> <p>17 Q. What does page -- what is the -- where</p> <p>18 it reports on consolidated premiums, what companies</p> <p>19 are included in that consolidated number?</p> <p>20 A. All the companies that are listed.</p> <p>21 Q. That was my question. We're on the same</p> <p>22 page.</p> <p>23 And that page and the companies that are</p> <p>24 listed are Federal and Federal subsidiaries, agreed?</p> <p>25 A. This is as of the end of '16. I don't</p>
<p style="text-align: right;">Page 95</p> <p>1 A. Over the time frame of the financial</p> <p>2 statements.</p> <p>3 Q. Okay. And so the collecting of the</p> <p>4 premium may not be coincidental with the sale of the</p> <p>5 policy?</p> <p>6 A. It could, yes, or it could not be, yes.</p> <p>7 MR. HINDERAKER: I'm just going to note</p> <p>8 for the record, without belaboring it, that item No.</p> <p>9 3 on this list of topics is overview of Federal's</p> <p>10 financial reportings. Let's continue on.</p> <p>11 Q. And I show you page 32.</p> <p>12 MR. HINDERAKER: You have 32. It's an</p> <p>13 even number.</p> <p>14 Q. Do you have a 32?</p> <p>15 A. No.</p> <p>16 Q. All right. Here you are.</p> <p>17 MR. FLEMING: So we had -- our firm and</p> <p>18 your firm has a series of agreements back and forth</p> <p>19 in which we agreed upon -- narrowed the topics that</p> <p>20 the Rule 30(b)(6) deponent were going to testify on,</p> <p>21 and it was a narrowing or restriction, and this goes</p> <p>22 beyond the topics ultimately that were agreed upon.</p> <p>23 There is not one topic where the question you're</p> <p>24 asking about the definition of these terms is</p> <p>25 included within that.</p>	<p style="text-align: right;">Page 97</p> <p>1 think any -- yeah, I believe so. I don't think</p> <p>2 anyone had moved out at that point.</p> <p>3 Q. Right. Now, I would like you to look at</p> <p>4 the premium -- what's reported as the premiums earned</p> <p>5 for Vigilant Insurance Company, Chubb Custom</p> <p>6 Insurance, Chubb National Insurance, Chubb Indemnity,</p> <p>7 and Executive Risk Specialty Insurance.</p> <p>8 Would you look at that.</p> <p>9 A. Sure.</p> <p>10 Q. So again, you do have them in front of</p> <p>11 you. So again, it's Vigilant, Chubb Custom, Chubb</p> <p>12 National, Chubb Indemnity, Executive Risk, those</p> <p>13 companies. And when you -- the premium earned for</p> <p>14 those companies in each instance is what?</p> <p>15 A. It's a little blurry, but --</p> <p>16 MR. FLEMING: Are you asking him to read</p> <p>17 the numbers on the page?</p> <p>18 Q. In each instance, is the premium earned</p> <p>19 reported to be \$38,001,851?</p> <p>20 A. Correct. It appears to be, yes.</p> <p>21 Q. Can you explain to me how five different</p> <p>22 insurance companies report exactly the same premium</p> <p>23 earned for the year 2016?</p> <p>24 A. This is a net premium number.</p> <p>25 Q. How does a net premium number result in</p>

JOHN TAYLOR - 08/02/2018

Pages 98..101

<p style="text-align: right;">Page 98</p> <p>1 the exact same number for each of those five -- each</p> <p>2 of those five companies?</p> <p>3 A. There is a -- the company share premium</p> <p>4 and losses.</p> <p>5 Q. So whatever that number was, it got</p> <p>6 divided by five, and they all had the same report?</p> <p>7 A. For those companies that you mentioned,</p> <p>8 yes.</p> <p>9 Q. All right. Now, this report to the NAIC</p> <p>10 is the consolidation of United States subsidiaries as</p> <p>11 we saw, agreed?</p> <p>12 A. Correct.</p> <p>13 Q. Okay. Does Federal report on a</p> <p>14 consolidated basis with respect to the -- with</p> <p>15 respect to Chubb Insurance Company of Europe, of</p> <p>16 Canada, and of Australia?</p> <p>17 A. Not -- no.</p> <p>18 Q. To your knowledge?</p> <p>19 A. To the best of my knowledge, no, they</p> <p>20 don't. Could you repeat that question. I'm not</p> <p>21 sure.</p> <p>22 Q. Sure. Let me back up a little bit.</p> <p>23 As we said, this is a report to the</p> <p>24 NAIC?</p> <p>25 A. Correct.</p>	<p style="text-align: right;">Page 100</p> <p>1 Q. I have a couple of questions on page 8.</p> <p>2 So I pointed you to page 8, but let's first agree</p> <p>3 that Exhibit 42 is Federal Insurance Company's</p> <p>4 combined financial statement December 31, 2017 and</p> <p>5 2016 reported to the NAIC.</p> <p>6 A. Correct.</p> <p>7 Q. Okay. Go to page 8. That page 8 lists,</p> <p>8 identifies the various subsidiaries of Federal who --</p> <p>9 for whom, this report reports Federal on a</p> <p>10 consolidated basis?</p> <p>11 A. Correct. It appears to be, yes.</p> <p>12 Q. And then there is a statement on page 8</p> <p>13 of a quote, Federal pool. Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. My question is simply what does that</p> <p>16 mean?</p> <p>17 A. The Federal pool is -- is an agreement</p> <p>18 between the companies that shares premiums and</p> <p>19 losses.</p> <p>20 Q. Are all the members of the Federal pool</p> <p>21 Federal subsidiaries, wholly-owned?</p> <p>22 A. As of?</p> <p>23 Q. As of the reporting date.</p> <p>24 A. Yes.</p> <p>25 Q. Okay. Can I have it for a quick moment.</p>
<p style="text-align: right;">Page 99</p> <p>1 Q. NAIC governs the United States?</p> <p>2 A. Correct.</p> <p>3 Q. This report says on its face that it's a</p> <p>4 consolidated report of Federal and U.S. subsidiaries</p> <p>5 of Federal.</p> <p>6 A. Correct.</p> <p>7 Q. I'm asking if Federal, for other</p> <p>8 purposes, consolidates revenue -- consolidates</p> <p>9 reports on a consolidated basis including Chubb of</p> <p>10 Europe SE, Chubb of Canada and Chubb of Australia.</p> <p>11 A. No.</p> <p>12 Q. Okay.</p> <p>13 (Exhibit 42, 2016 and 2017 Federal</p> <p>14 Insurance Company Combined Financial Statements,</p> <p>15 marked for identification, as of this date.)</p> <p>16 MR. HINDERAKER: I think that Exhibit 42</p> <p>17 suffers from the same efficiency as Exhibit 41. That</p> <p>18 is, when copies were made, either the odd or the even</p> <p>19 page was not copied.</p> <p>20 So I'm going to give you -- I'm going to</p> <p>21 give you my copy.</p> <p>22 Does your have a page 8? Is it the odd</p> <p>23 or the even that we're missing?</p> <p>24 MR. FLEMING: No.</p> <p>25 MR. HINDERAKER: Okay.</p>	<p style="text-align: right;">Page 101</p> <p>1 A. Sure.</p> <p>2 Q. I'm going to give you page 36. You'll</p> <p>3 see that page 36 uses the categories written premium,</p> <p>4 earned premiums, assumed and ceded; and do those</p> <p>5 terms carry the same meaning that you described for</p> <p>6 us earlier in the deposition?</p> <p>7 A. Yes, they do.</p> <p>8 Q. Okay. And then is it accurate to read</p> <p>9 the net premium as a function of the direct premium</p> <p>10 plus assumed, minus ceded; that's just the math,</p> <p>11 correct?</p> <p>12 A. Correct. There is a presentation,</p> <p>13 assuming it's an accurate summation.</p> <p>14 Q. I'm going to bring you to an exhibit at</p> <p>15 the end of the exhibit. It doesn't bear a page. We</p> <p>16 can identify it at the top of the page as</p> <p>17 underwriting income and then premiums earned. So I</p> <p>18 think if we start at the page premiums earned at the</p> <p>19 top, and then I think you have to go to the next page</p> <p>20 as well, because the various subsidiaries across the</p> <p>21 columns go onto the next page, agreed? And then on</p> <p>22 that second page, we get the consolidated combined,</p> <p>23 premiums earned.</p> <p>24 MR. FLEMING: Let me see if the second</p> <p>25 page is missing or not. Yeah, so we're missing a</p>

JOHN TAYLOR - 08/02/2018

Pages 102..105

<p style="text-align: right;">Page 102</p> <p>1 number of pages.</p> <p>2 MR. HINDERAKER: Yeah. I'm sure when</p> <p>3 they photocopied it, you got every other page messed</p> <p>4 up.</p> <p>5 Q. All right. So we're on that page at the</p> <p>6 heading premiums earned, and then the columns listed</p> <p>7 subsidiaries of Federal, and then you go to the</p> <p>8 second page, more subsidiaries of Federal?</p> <p>9 A. Correct.</p> <p>10 Q. And then it appears to report on a</p> <p>11 consolidated basis for Federal?</p> <p>12 A. Yes.</p> <p>13 Q. If you would, in this instance as well,</p> <p>14 if you would look at the premiums earned for the same</p> <p>15 companies, Vigilant, Chubb Custom, Chubb Indemnity,</p> <p>16 Executive Risk, Chubb National, I think all of</p> <p>17 those -- each of those companies reports premiums</p> <p>18 earned in dollars of each other.</p> <p>19 Is the explanation the same for this</p> <p>20 report as it was earlier, they are part of a pool?</p> <p>21 A. Yes.</p> <p>22 (Exhibit 43, 2017 Federal Insurance</p> <p>23 Company Annual Statement, marked for identification,</p> <p>24 as of this date.)</p> <p>25 Q. Can you identify Exhibit 43.</p>	<p style="text-align: right;">Page 104</p> <p>1 Q. I don't -- we talked about direct</p> <p>2 premium. I don't believe we talked about direct</p> <p>3 business.</p> <p>4 A. This is -- this says premiums written in</p> <p>5 the -- if you look at the top.</p> <p>6 Q. Okay. Thank you.</p> <p>7 A. Sure.</p> <p>8 Q. Can you go to Bates numbered 54.</p> <p>9 MR. FLEMING: Page 54, you're saying,</p> <p>10 not Bates stamped number?</p> <p>11 MR. HINDERAKER: Bates No. 54.</p> <p>12 A. Oh, sorry. I went to --</p> <p>13 Q. I think it's page No. 17 of the</p> <p>14 document.</p> <p>15 A. Thank you.</p> <p>16 Q. So you've told us what premiums written</p> <p>17 mean, and Bates numbered 54, it's reporting gross</p> <p>18 written premium -- I'm sorry, it's reporting gross</p> <p>19 premiums written. And on line 6, there is a total.</p> <p>20 Just tell me what the -- what the</p> <p>21 designators for the lines ahead of that mean. There</p> <p>22 is liability lines, property lines, and so forth.</p> <p>23 What -- describe for us in general what</p> <p>24 those mean.</p> <p>25 A. Liability lines, it's giving you a</p>
<p style="text-align: right;">Page 103</p> <p>1 A. It is Federal Insurance Company or</p> <p>2 appears to be Federal Insurance Company's 12/31/2017</p> <p>3 annual statement.</p> <p>4 Q. Is this report also submitted to the</p> <p>5 NAIC?</p> <p>6 A. Yes, it is.</p> <p>7 Q. Okay. Was it prepared for any other</p> <p>8 purpose? That is, reporting to anyone else.</p> <p>9 A. Well, there are other regulators that it</p> <p>10 gets submitted to.</p> <p>11 Q. Okay. Would you go to the Bates</p> <p>12 numbered 8.</p> <p>13 A. Okay.</p> <p>14 Q. I just want to make sure I understand.</p> <p>15 There's a column -- there's a column</p> <p>16 called line of business, and under that, is -- it's</p> <p>17 reporting various kinds of lines of business,</p> <p>18 correct?</p> <p>19 A. Correct.</p> <p>20 Q. And then the column called direct</p> <p>21 business reports dollar values for lines of business</p> <p>22 identified.</p> <p>23 What does direct business mean?</p> <p>24 A. The same as it was -- as we discussed</p> <p>25 before.</p>	<p style="text-align: right;">Page 105</p> <p>1 reference back to page 8. So those particular lines</p> <p>2 of business are defined as liability.</p> <p>3 Q. Okay.</p> <p>4 A. Same with the other -- it's referring</p> <p>5 back to -- I think we looked at page 8 before.</p> <p>6 Q. So I could go to that page that had the</p> <p>7 business lines, with each of the rows numbered, and</p> <p>8 that would, with the use of this page from Bates 54,</p> <p>9 organize the business lines into these categories?</p> <p>10 A. Correct.</p> <p>11 Q. Okay. Okay. Mighty fine.</p> <p>12 Let's go to Bates No. 2 -- 0233 through</p> <p>13 0246.</p> <p>14 A. 0233 through?</p> <p>15 Q. 0246. I just want to confirm that that</p> <p>16 is the -- that is an organizational chart relative</p> <p>17 the Federal Insurance Company.</p> <p>18 A. Yes.</p> <p>19 Q. Okay.</p> <p>20 (Exhibit 44, 2016 Pacific Indemnity</p> <p>21 Company Annual Statement, marked for identification,</p> <p>22 as of this date.)</p> <p>23 Q. So looking at Exhibit 44, can you</p> <p>24 identify -- what is it?</p> <p>25 A. It appears to be the 2016 annual</p>

JOHN TAYLOR - 08/02/2018

Pages 106..109

<p style="text-align: right;">Page 106</p> <p>1 statement for Pacific Indemnity Company.</p> <p>2 Q. And the purpose of -- we just saw a</p> <p>3 similar one for Federal Insurance.</p> <p>4 Do each of the subsidiaries of Federal</p> <p>5 Insurance make reports like this to the NAIC?</p> <p>6 A. Yes.</p> <p>7 Q. I'm sorry, the U.S. subsidiaries,</p> <p>8 anyway.</p> <p>9 A. The U.S. property and casualty insurance</p> <p>10 subsidiaries.</p> <p>11 Q. Does Federal have any subsidiaries that</p> <p>12 are solely personal?</p> <p>13 A. I'm sorry, say that again.</p> <p>14 Q. I'm trying to understand what the</p> <p>15 distinction is when you say the U.S. property and</p> <p>16 casualty insurers.</p> <p>17 A. For insurance companies.</p> <p>18 Q. Okay. All of the subsidiaries of</p> <p>19 Federal are property and casualty insurers?</p> <p>20 A. Not all in the U.S.</p> <p>21 Q. Not all in the U.S.?</p> <p>22 A. What time period are you talking about?</p> <p>23 Q. I guess here on December 31, 2016.</p> <p>24 A. So this form is completed for all U.S.</p> <p>25 property and casualty insurance companies.</p>	<p style="text-align: right;">Page 108</p> <p>1 Q. I think we will spend a little time on</p> <p>2 the document and see it includes other quarters, but</p> <p>3 just to make a note, not to quarrel with you.</p> <p>4 Reporting to whom?</p> <p>5 A. Canadian regulators are known as OSFI.</p> <p>6 Q. Exhibit 45 was prepared for the purpose</p> <p>7 of reporting to Canadian regulators?</p> <p>8 A. Yes.</p> <p>9 Q. Were you involved in the work leading --</p> <p>10 resulting in Exhibit 45?</p> <p>11 A. No, I was not.</p> <p>12 Q. Was this part of -- is this -- was the</p> <p>13 work leading to Exhibit 45 under your</p> <p>14 responsibilities?</p> <p>15 A. No, it was not.</p> <p>16 Q. Okay. Let's just agree to one detail.</p> <p>17 On the first page, it reports as of Q1,</p> <p>18 2016. If we look at page 9, it reports as of Q2,</p> <p>19 2016. And if you look at page 17, it reports as of</p> <p>20 Q3, 2016, page 17. And then if you look at page 25,</p> <p>21 it reports as of Q4, 2016.</p> <p>22 A. Okay.</p> <p>23 Q. Okay. So then the report is, as of Q4,</p> <p>24 2016, is also the reporting for the full year?</p> <p>25 A. It appears that way, yes.</p>
<p style="text-align: right;">Page 107</p> <p>1 Q. Whether they are subsidiaries of Federal</p> <p>2 or not?</p> <p>3 A. Correct.</p> <p>4 Q. Thank you. All right. Got it.</p> <p>5 I notice that -- do you agree with me</p> <p>6 that the form of reporting for Pacific Indemnity for</p> <p>7 the year end 2016 is very similar to the form of</p> <p>8 reporting of Federal?</p> <p>9 A. Correct, yes.</p> <p>10 Q. And does the NAIC dictate the form of</p> <p>11 the reporting?</p> <p>12 A. Yes, they do.</p> <p>13 Q. Okay.</p> <p>14 (Exhibit 45, 2016 and 2017 and Q1 2018</p> <p>15 Chubb Insurance Company of Canada Consolidated Assets</p> <p>16 Documentation, marked for identification, as of this</p> <p>17 date.)</p> <p>18 Q. Can you identify for us Exhibit 45.</p> <p>19 A. It appears to be the filing, the first</p> <p>20 quarter filing, for Chubb Insurance Company of</p> <p>21 Canada.</p> <p>22 Q. The first page says Q1, 2016?</p> <p>23 A. Correct.</p> <p>24 Q. That's what you're looking at?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 109</p> <p>1 Q. And then if we carry through the</p> <p>2 document, page 33 is Q1, 2017, page 41, Q2, 2017,</p> <p>3 page 49, Q3, 2017, and then page 57, Q4, 2017. And</p> <p>4 it appears Q4 is reporting for the full year at that</p> <p>5 point?</p> <p>6 A. It appears that way, yes.</p> <p>7 Q. Okay. And then just to be complete, at</p> <p>8 page 65, you have Q1, 2018.</p> <p>9 Do you know if Chubb Insurance Company</p> <p>10 of Europe makes to some regulatory agency a reporting</p> <p>11 like we see to the NAIC and we now see to Canada?</p> <p>12 A. I believe they do. I don't -- I</p> <p>13 couldn't say for sure, no.</p> <p>14 Q. Same question with respect to Australia?</p> <p>15 A. I believe they do, but I couldn't say</p> <p>16 for sure.</p> <p>17 Q. Thank you.</p> <p>18 A. I don't know. Sorry.</p> <p>19 Q. Good enough.</p> <p>20 MR. HINDERAKER: Thank you for your</p> <p>21 time. No more questions. Just the comment I made at</p> <p>22 the outset with respect to keeping the deposition</p> <p>23 open.</p> <p>24 MR. FLEMING: Yeah, and of course, we</p> <p>25 don't agree with that, but we will read and sign.</p>


JOHN TAYLOR - 08/02/2018

Pages 110..113

<p style="text-align: right;">Page 110</p> <p>1 THE VIDEOGRAPHER: The time is 2 12:54 p.m. We're going off the record. 3 (Time noted: 12:54 p.m.) 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 112</p> <p>1 Production.mpls (Production.mpls@epiglobal.com) 2 To:you Details 3 Hi Lorraine, 4 The exhibits attached are for the jobs you covered 5 for us in the above-referenced matter. 6 Thanks, 7 Jessica Carbajales 8 Epiq Court Reporting 9 Office: +1 (301) 762-8282 10 11 Email: Jessica.carbajales@epiglobal.com 12 From: Kristin M. Drieman 13 [mailto:KDrieman@merchantgould.com] 14 Sent: Wednesday, August 08, 2018 11:39 AM 15 To: Production.mpls <Production.mpls@epiglobal.com> 16 Cc: Scheduling.mpls <Scheduling.mpls@epiglobal.com>; 17 Becerra, Juan <Juan.Becerra@epiglobal.com>; Allen 18 Hinderaker <AHinderaker@merchantgould.com>; Heather 19 Kliebenstein <HKliebenstein@merchantgould.com>; 20 Michael Erbele <MErbele@MerchantGould.com>; Carol A. 21 Nystrom <CNystrom@merchantgould.com>; 22 cpham@fredlaw.com; ljanus@fredlaw.com; 23 tfleming@fredlaw.com; Friedemann, Lora M. 24 (Lfriedemann@fredlaw.com) <lfriedemann@fredlaw.com>; 25 Datzov, Nikola (ndatzov@fredlaw.com)</p>
<p style="text-align: right;">Page 111</p> <p>1 2 POST DEPOSITION REQUEST OF COUNSEL 3 August 8, 2018 4 5 (Exhibit 41, Previously marked at the 6 deposition on August 2, 2018, was remarked for 7 identification, as of this date.) 8 (Exhibit 42, Previously marked at the 9 deposition on August 2, 2018, was remarked for 10 identification, as of this date.) 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 113</p> <p>1 <ndatzov@fredlaw.com>; Anne-Marie Larkin 2 <ALarkin@MerchantGould.com> 3 Subject: RE: Depositions re Fair Isaac v Federal 4 Insurance Company - MP-182592/MP-184257 5 6 CAUTION: This email originated from outside of Epiq. 7 Do not click links or open attachments unless you 8 recognize the sender and know the content is safe. 9 10 Jessica, 11 Attached please find two documents, marked as Exhibit 12 41 and 42 during the depositions in New Jersey last 13 week. 14 The documents marked at the deposition were missing 15 pages, the parties would like to replace the bad 16 copies with the attached. 17 Please let me know if you have any questions. 18 Thank you, 19 Kristin M. Drieman 20 Litigation Paralegal 21 Merchant & Gould P.C. 22 3200 IDS Center 23 80 South 8th Street 24 Minneapolis, MN 55402-2215 25 USA</p>

JOHN TAYLOR - 08/02/2018

Pages 114..116

<p style="text-align: right;">Page 114</p> <p>1 Telephone (612) 336-4703</p> <p>2 Fax (612) 332-9081</p> <p>3 Merchantgould.com</p> <p>4</p> <p>5 GUARDIANS OF GREAT IDEAS®</p> <p>6</p> <p>7 Note: This e-mail message is confidential and may be</p> <p>8 privileged or otherwise protected by law. If you are</p> <p>9 not the intended recipient, please: (1) reply via</p> <p>10 e-mail to sender; (2) destroy this communication</p> <p>11 entirely, including deletion of all associated text</p> <p>12 files from all individual and network storage</p> <p>13 devices; and (3) refrain from copying or</p> <p>14 disseminating this communication by any means</p> <p>15 whatsoever.</p> <p>16 Please consider the environment before printing this</p> <p>17 email. Thank you.</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 116 PG. __ OF __ PGS.</p> <p>1 STATE OF NEW JERSEY)</p> <p>2 ss:</p> <p>3 COUNTY OF ESSEX)</p> <p>4</p> <p>5 I wish to make the following changes, for the</p> <p>6 following reasons:</p> <p>7 PAGE LINE</p> <p>8 ——— CHANGE: _____</p> <p>9 REASON: _____</p> <p>10 PAGE LINE</p> <p>11 ——— CHANGE: _____</p> <p>12 REASON: _____</p> <p>13 PAGE LINE</p> <p>14 ——— CHANGE: _____</p> <p>15 REASON: _____</p> <p>16 PAGE LINE</p> <p>17 ——— CHANGE: _____</p> <p>18 REASON: _____</p> <p>19 PAGE LINE</p> <p>20 ——— CHANGE: _____</p> <p>21 REASON: _____</p> <p>22 PAGE LINE</p> <p>23 ——— CHANGE: _____</p> <p>24 REASON: _____</p> <p>25</p>
<p style="text-align: right;">Page 115</p> <p>1 CERTIFICATE</p> <p>2</p> <p>3 I, LORRAINE B. ABATE, a Certified</p> <p>4 Court Reporter and Notary Public of the State of New</p> <p>5 Jersey and Registered Professional Reporter, do</p> <p>6 hereby certify that prior to the commencement of the</p> <p>7 examination, JOHN TAYLOR was duly sworn by me to</p> <p>8 testify the truth, the whole truth and nothing but</p> <p>9 the truth.</p> <p>10 I DO FURTHER CERTIFY that the foregoing</p> <p>11 is a true and accurate transcript of the testimony as</p> <p>12 taken stenographically by and before me at the time,</p> <p>13 place and on the date hereinbefore set forth.</p> <p>14 I DO FURTHER CERTIFY that I am neither a</p> <p>15 relative nor employee nor attorney nor counsel of any</p> <p>16 of the parties to this action, and that I am neither</p> <p>17 a relative nor employee of such attorney or counsel,</p> <p>18 and that I am not financially interested in the</p> <p>19 action.</p> <p>20 </p> <p>21 Certified Court Reporter</p> <p>22 Registered Professional Reporter</p> <p>23 Notary Public of the State of New Jersey</p> <p>24 My Commission expires December 29, 2019</p> <p>25 CCR License No. XI01992</p> <p>Dated: August 10, 2018</p>	

JOHN TAYLOR - 08/02/2018

i1

Exhibits			
Taylor 41 10:11	Taylor 35 80:21,24	+	93:13
Taylor 42	Taylor 36 81:5,7,17	+1 112:9	10:10 42:7
Taylor 17 16:8,10,23	Taylor 37 81:12,14 84:15,17 85:20	0	10:50 66:4
Taylor 18 16:14,18,22 25:21 38:18 46:23	Taylor 38 83:9,11,20 85:9 86:1	000060_0001 80:4	11 84:24
Taylor 19 49:18,24 50:6,14 51:13	Taylor 39 87:15,17,24	0004 52:5	11:05 66:11
Taylor 20 53:9,13	Taylor 40 88:2,5,14	0005 52:6,7	11:39 112:14
Taylor 21 54:23 55:4,17 56:18	Prev Mrkd Exh 41 88:25 89:8,23 92:11 99:17 111:5 113:11,12	004420_001 79:4	11:58 88:23
Taylor 22 56:2,6,21,24 57:3	Prev Mrkd Exh 42 99:13,16 100:3 111:8 113:12	0233 105:12,14	12 33:4,5 72:17,18
Taylor 23 57:15,19	Taylor 43 102:22,25	0246 105:13,15	12/31/2014 18:7
Taylor 24 58:13,17	Taylor 44 105:20,23	08 112:14	12/31/2017 103:2
Taylor 25 59:13,17,21	Taylor 45 107:14,18 108:6,10,13	1	12:09 89:5
Taylor 26 60:16,20	\$	1 10:11 16:21 50:15 51:16, 20 53:17 55:7,8,9,10 56:7,10,11,13 57:21 58:19,22,23,25 59:23 60:23 62:18 64:14,16,17, 20 68:6,9 69:19,21 71:17 73:1,4,15 74:21,23 75:20 77:7 86:6	12:54 110:2,3
Taylor 27 61:14,18	\$12,000,976 32:24	1(e) 10:2	13 15:18 28:17 83:18,19,24
Taylor 28 62:12,15 64:13	\$12,976,000,000 32:24	1(h) 10:2	14 13:4 71:1,13
Taylor 29 66:6,13 67:1	\$38,001,851 97:19	1/1/17 76:3	16 96:25
Taylor 30 67:21,25 69:6	(10 82:21	17 16:8,10,23 85:11 104:13 108:19,20
Taylor 31 69:13,18 70:12	(1) 114:9	10-K 16:9,11,15,19,20 17:4,25 26:10,22 81:5,7,12,17 87:15,18,24 88:2,6,7	18 16:14,18,22 25:21 38:18 46:23
Taylor 32 70:20,24,25 71:5 73:11 75:7	(2) 114:10	103,000	19 49:18,24 50:6,14 51:13 88:15
Taylor 33 78:22 79:2	(3) 114:13		1998 50:15 55:7 56:7,10 57:21 60:23 61:20 62:18 66:18 68:6
Taylor 34 79:24 80:2,12	(a) 31:24		1st 50:16 74:21 78:10,16 86:9

JOHN TAYLOR - 08/02/2018

i2

<hr/> <p style="text-align: center;">2</p> <hr/> <p>2 50:17,24 55:8 56:10,13 58:22 59:24,25 66:18,20 67:2 68:9 69:20 80:4 105:12 111:6,9</p> <p>2(c) 10:2</p> <p>2(f) 10:2</p> <p>2(i) 10:2</p> <p>20 53:9,13</p> <p>2000 58:19 59:23</p> <p>2002 50:18,21 55:8 69:22</p> <p>2003 50:16</p> <p>2004 13:8 53:17</p> <p>2005 55:9 56:11,16 58:22 59:24</p> <p>2007 50:22 53:18 55:11 56:20, 25 57:24 58:24 60:2 61:1,21 66:21 68:8,11 69:20</p> <p>2008 55:10 56:14 58:23,25 60:1 68:9 69:19 79:8,12, 19 80:14</p> <p>2012 28:17</p> <p>2013 79:24 80:7</p> <p>2014 16:8,12,14 17:25 18:15 20:11,12 21:15 22:12 23:4 27:21 28:2,17 29:3 32:23 33:8 80:21,25</p> <p>2015 88:25 89:11</p>	<p>2016 13:22,23,24,25 17:19 18:20 19:4 20:15 40:17 71:1,13 81:5,10,12,16 82:1,7,11,15 83:21,24 84:5,18 85:10,14,24 86:6,9 88:25 89:10 97:23 99:13 100:5 105:20,25 106:23 107:7,14,22 108:18,19,20,21,24</p> <p>2017 77:7 78:10,16 87:15,19, 24 88:2,6,17 99:13 100:4 102:22 107:14 109:2,3</p> <p>2018 8:25 71:4 74:21 107:14 109:8 111:3,6,9 112:14</p> <p>21 26:15 54:23 55:4,17 56:18</p> <p>21.1 81:15</p> <p>22 56:2,6,21,22,24 57:3 71:4</p> <p>23 57:15,19</p> <p>24 58:13,17</p> <p>25 59:13,17,21 108:20</p> <p>26 60:16,20</p> <p>27 61:14,18</p> <p>28 62:12,15 64:13 65:8</p> <p>29 66:6,13 67:1</p> <p>2nd 8:25</p> <hr/> <p style="text-align: center;">3</p> <hr/> <p>3 16:19 17:3,25 18:13 21:16 25:21 38:18 46:24 50:15 52:7 55:9,10</p>	<p>56:12,19,25 58:23 60:1 69:19 71:1 90:3 95:9</p> <p>30 67:21,25 69:6 83:21,24 84:5 85:10,14</p> <p>30(b)(6) 10:8 35:22 96:4</p> <p>30(b)6 9:21,24 27:4 45:10 46:4, 16 90:17 91:14 92:22 95:20</p> <p>301 762-8282 112:9</p> <p>31 16:12 50:17,21 53:18 55:11 56:25 57:24 58:24 60:2 61:1,21 66:20 68:8, 11 69:13,18,20,22 70:12 79:8,12 80:7,14,25 81:9, 16 82:7,11,15 84:5,18 85:24 87:19 88:6,17 89:10 100:4 106:23</p> <p>31st 56:19</p> <p>32 70:20,24,25 71:5 73:11 75:7,20 95:11,12,14 96:7,10,11</p> <p>3200 113:22</p> <p>33 78:22 79:2 109:2</p> <p>34 79:24 80:2,12</p> <p>35 80:21,24</p> <p>36 26:12 81:5,7,17 101:2,3</p> <p>37 81:12,14 84:15,17 85:20</p> <p>38 83:9,11,20 85:9 86:1</p> <p>39 87:15,17,24</p>	<hr/> <p style="text-align: center;">4</p> <hr/> <p>4 16:19 20:8 22:10,19 26:6,10 28:11,15 30:14 31:14,20 32:16 50:15 51:16 58:24 92:1</p> <p>40 88:2,5,14</p> <p>400 8:24</p> <p>41 88:25 89:8,23 92:11 99:17 109:2 111:5 113:12</p> <p>42 99:13,16 100:3 111:8 113:12</p> <p>43 26:14 102:22,25</p> <p>44 105:20,23</p> <p>45 107:14,18 108:6,10,13</p> <p>49 109:3</p> <hr/> <p style="text-align: center;">5</p> <hr/> <p>5 16:19 33:8 52:14 68:10 86:2 88:15 91:25 92:3,13 93:11</p> <p>54 104:8,9,11,17 105:8</p> <p>55 8:23</p> <p>55402-2215 113:24</p> <p>57 109:3</p> <hr/> <p style="text-align: center;">6</p> <hr/> <p>6 69:23 81:23 84:16,19</p>
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JOHN TAYLOR - 08/02/2018

i3

85:21 92:1 104:19 612 332-9081 114:2 612 336-4703 114:1 65 109:8 <hr/> 7 <hr/> 7 93:16 78 33:10,24 34:5 <hr/> 8 <hr/> 8 90:1,2 93:13 99:22 100:1,2,7,12 103:12 105:1,5 111:3 80 113:23 8:30 7:2 8th 113:23 <hr/> 9 <hr/> 9 108:18 9:03 8:25 9:59 42:4 <hr/> A <hr/> a.m. 8:25 42:4,8 66:4,11 88:23 Abate 9:3 above-referenced 112:5	absence 8:4 absolutely 48:6,24 accept 31:10 81:19,21 Accepted 90:14 accommodate 8:12 accordance 90:6 91:5 accountants 25:11 accounting 11:3 13:11 16:5 90:8,12, 14 accuracy 90:25 accurate 38:14 54:5 101:8,13 accurately 71:5 80:8 81:2 ACE 12:13,15,23 13:3,7,12, 14,20 14:1,2,3,4,5 15:10, 13 20:23,24 26:23 27:7,8 33:13 70:21 71:2,9,20 72:7 73:23 75:7,23 76:3, 9,13,20,21 78:18 86:23 87:1,7 acknowledges 62:25 acquired 14:14 77:18 acquisition 13:18,21,22 14:18,20 acronym 89:20 Acting 47:1 activities 39:13 83:15 acts 47:9	add 33:1,2,3,5 added 73:22 addendum 50:17 53:9,18 55:7,8,9, 10 56:10,13,15,18,24 57:15,23 58:21,22,23,24 59:24,25 60:1,16,25 61:14,20 66:7,18,20 68:8,9,10 72:13 73:2,8, 11 77:3,4 addendums 54:23 55:12 56:2 58:13 59:13 67:22 addition 37:20 address 7:19,21 8:14 administrative 39:13 admitted 91:16 Advisor 45:3,7,20,24 46:10,14 affects 74:23 affiliate 12:17,18,19 87:3,5,6 affiliated 14:8 32:3 74:16 affiliates 15:1 19:18 agencies 34:12,21 agency 109:10 agent 35:16,19,24,25 36:7,25 42:16 43:3 agents 36:13,15 42:15 agree 16:10 18:4 21:10 38:4 48:22,23 50:6,13 52:20 53:14 55:4,15,21 57:7,8,	20 58:17 59:7 60:10 61:18 62:6,15,19,21 66:25 67:1 71:12 72:13 73:21 76:21 79:6,18 81:7,24 82:6 83:23 84:4, 9,20,24 85:5,12,16,22 86:3 88:14 89:23 100:2 107:5 108:16 109:25 agreed 38:11 42:15,18 45:11 56:16,17,20 57:1,14 58:11,12 59:1,12 60:2,15 61:1,2,12,13,23,24 62:4, 11,23 63:2 64:15 67:5 68:11 69:24,25 71:14 72:3 77:13 79:10 83:22 84:2,22 85:3,8,15,25 86:7 90:16 95:19,22 96:24 98:11 101:21 agreement 41:7 45:2,19 49:3,12,18 50:7,14 51:2,10 53:9,15, 21,25 54:23 55:5,17 56:2,7 57:3,4,10,15,20 58:2,7,13,18 59:3,8,13, 21 60:5,11,16,22 61:4,8, 14,19 62:1,7,12,16 63:1, 16,20,25 64:1,3,25 65:8, 11,14 66:6,15,22 67:8,21 68:5,14 69:6,13,24 70:2, 11,12,20 71:1,8,10,16, 22,25 72:2,5,10,25 73:2, 7,9,22 75:20 76:17 80:25 100:17 agreements 11:9,25 39:11 40:5 43:22 44:22 49:4,6 65:21 67:11 74:23 75:4,5,13,15 95:18 agriculture 27:15,16 ahead 48:20 90:20 104:21 AHINDERAKER@ MERCHANTGOULD. COM 112:18 ALARKIN@ MERCHANTGOULD. COM 113:2
---	--	--	--

JOHN TAYLOR - 08/02/2018

i4

Allen 9:6,19 112:17	28:5 34:1,4	audited 89:2,9,24	72:14,17,21,22 81:23 82:20 83:18,23 84:16,19, 23 85:11,20 86:2 103:11 104:8,10,11,17 105:8,12
allocate 26:24	approximately 8:25 33:10	August 8:25 111:3,6,9 112:14	bear 101:15
amend 42:25	April 86:6,9	Australia 20:22 23:21,22 34:16 35:3 41:9 44:10 69:15 70:3,8 79:21 85:23 86:4, 5,10,17 98:16 99:10 109:14	Becerra 112:17
amended 10:11	arms 43:23	authenticate 87:23	beginning 69:23 88:15
amendment 50:16 69:19,20,21 70:21 71:3,17 73:14 74:20,23 75:20	arrangement 40:11 54:6	authority 47:17 54:18 55:23 57:9 58:8 59:9 67:7	begins 47:1
Amendments 49:18 69:14	Arthur 15:25	authorized 52:10,24	behalf 9:7 10:7,21 51:22 81:10
American 12:13,15,23 13:3,7,14 15:13 70:22 71:2,9,21 72:7 73:23 75:7,23 76:3, 9,13,20,22 77:18 78:18 86:23 87:1,8	article 51:17,18,20 52:7	Avenue 8:24	belaboring 95:8
amounts 32:15	aspects 91:16	aware 35:9,14 37:14,22,25 45:4,5,23 46:5 67:10 86:15	believes 63:19
Anderson 15:25	asset 17:24	back 7:15 11:21 15:17 32:3,18 39:18 42:8,21 45:17 52:17 54:16 56:11 66:11 72:12 77:8 84:15 85:9 89:6 95:18 98:22 105:1,5	Bermuda 13:12
Andrea 11:1	assets 77:10,17 107:15	background 16:1 91:24	billion 33:4,6 93:13
Anne-marie 113:1	assistant 10:24	bad 22:17 113:15	billions 32:17
annual 11:5 102:23 103:3 105:21,25	association 9:3 89:21 90:7	base 17:24 50:2	bind 62:8
answers 54:11	associations 13:12	based 18:2 20:10 82:18 83:1,3, 6 84:8,22 85:3,4,8,15,25 86:3,7,8,12 87:25	bit 15:17 41:17 47:8 65:5 98:22
apologize 64:19 86:23 92:12	assume 7:13 10:15 30:12	basis 98:14 99:9 100:10 102:11	Blaze 45:3,7,19,24 46:10,14
appears 80:11 81:4,11 82:2,4,18 83:1,6 84:2 87:25 88:18 89:25 97:20 100:11 102:10 103:2 105:25 107:19 108:25 109:4,6	assumed 30:11,14 31:2,4 32:5,6 101:4,10	Bates 50:14,15 51:15 52:5,13 56:12 68:10 69:23 70:25	blow 79:2,5
applications 45:6,24 46:9	assuming 30:17 76:24 101:13		blurry 97:15
apply 54:10	attached 112:4 113:11,16		board 47:10,18
approximate	attachments 113:7		boards 47:2
	attempt 8:12 32:5		Bob 11:2
	attempting 8:3		bonds 25:14,16
	attention 83:17		
	attorneys 25:12		

JOHN TAYLOR - 08/02/2018

i5

bottom 28:15 31:22 50:3 67:2 79:7	79:20 84:20,25 85:1,5,6, 13,17 98:16 99:10 107:15,21 109:11	101:4,10	Chubbs 12:10
Boyle 11:2	Canadian 7:12 108:5,7	ceding 31:3,6	CI 63:21
break 41:3 42:3,24 43:9 65:25	Capital 80:13,15	Center 113:22	claims 46:2 91:19
briefly 7:25	captive 35:8,12 42:15	central 7:3	clarity 21:10
bring 87:19 101:14	Carbajales 112:7	CFO 10:25	clause 63:1,3 64:24 71:19
broker 35:16 36:3,4,6,9,25 42:16 43:3	career 15:22	chance 7:10,19,20 10:10,13	clauses 73:20
brokerage 36:5	Carol 112:20	change 41:24 42:25 54:5	click 113:7
brokers 34:13,22 36:13,15	Carolina 78:6,11	changed 40:19 84:14	closing 7:22
brought 29:24 67:18	carrier 30:12	chart 78:23 79:23 105:16	CNYSTROM@ MERCHANTGOULD. COM 112:21
business 15:2,23 16:22 22:18 24:15 25:25 27:23,24 30:12,25 31:3,7 36:24 46:2 51:21 103:16,17,21, 23 104:3 105:2,7,9	carry 96:2 101:5 109:1	Chubb 9:12 10:23,25 11:2,10 12:8,9,22 13:23,24 14:1, 4,7,8,16 15:7,11 16:8,11, 14 18:5 20:22 23:3,24 26:12,22 27:9,11,13,23 32:10 33:16,21 35:11 37:12,20,24 38:1,4,14, 20,24 39:8 40:2,18 41:7, 9,12 43:25 44:8,9,10 45:2 47:4,9,22 48:5,12, 24 49:2,19 50:8 51:2,6,8, 24 52:20 53:2,3,10,16 54:17,24 55:6,18,22 56:3,8 57:4,5,8,12,13,16, 21,22 58:3,7,10,15,20 59:4,8,14,22 60:6,7,11, 17,24 61:5,8,15,16,21,22 62:2,3,7,10,13,16,17,21, 22,24 63:2,12,16,24 64:2,4,25 65:11,15,18,20 66:7,16,22 67:22 68:7, 14,18,23 69:14,15,21 70:3,4,7 74:24 75:14,21 76:6,16 78:5,8,17 79:19, 20,24 80:7,13,15,21 81:5,10,12 82:7,16,23,25 83:3,5,25 84:6,11,20,25 85:1,5,6,12,16,22 86:4,5, 9,16 87:11,15,18 88:2 97:5,6,11,12 98:15 99:9, 10 102:15,16 107:15,20 109:9	coincide 93:4
businesses 25:2,7	carrying 87:21		coincidental 95:4
buying 30:19	cars 24:23		collected 94:17,18,23,24
<hr/> C <hr/>	Case 42:15		collecting 95:3
calendar 29:23,24	casualty 13:19 14:24 15:2 17:4,9 38:19 46:25 106:9,16,19, 25		collectively 63:13
call 29:9 72:8,9	categories 31:14 32:13 101:3 105:9		Collovano 10:22
called 29:18 31:17 45:6 52:7 87:11 103:16,20	category 35:21 92:19		Colonial 15:21
calls 38:6 48:19 49:9 71:25 72:2	CAUTION 113:6		column 30:13 103:15,20
Canada 10:25 11:2 23:18,19 34:16 35:3 41:8 44:9 67:23 68:7,15,19,24	CCIC 63:22		columns 101:21 102:6
	CCM 62:25 63:13,16,19,24 64:15,21,24 65:9,10,14, 19		combination 31:14
	ceded 30:23 31:1,4 32:5,6		combined 99:14 100:4 101:22
			comfortable 50:4

JOHN TAYLOR - 08/02/2018

i6

comment 109:21	77:7,9,18,19,23 78:19,22 79:14,19,20,21 81:3 82:1,7,16,23 83:25 84:6, 11,20,25 85:12,17,22 86:4,10,17,24 87:1,7,8 88:17 89:1,8 97:5 98:3, 15 99:14 102:23 103:1 105:17,21 106:1 107:15, 20 109:9 113:4	45:7	copying 114:13
commenting 54:2		connection 45:25	Corp 8:21
commercial 24:17,25 25:18 26:1,7,14 27:17		consequence 7:8 14:15	corporate 10:21 86:21
commission 81:9 93:17	Company's 100:3 103:2	consolidated 89:2,9 90:5 96:11,13,18, 19 98:14 99:4,9 100:10 101:22 102:11 107:15	corporation 8:21,22 9:8 14:1 15:7 16:8,11,14 18:5 19:13 26:12,22 27:23 32:10 79:24 80:7,21
Commissioner 90:8	compare 16:22	consolidates 99:8	corporation's 17:7
Commissioners 89:22	compensation 30:21 31:7	consolidation 98:10	correct 11:24 12:5,23 13:1,23 14:21 15:3,7,8,12 17:13 18:9,16 19:1 20:2 21:3 24:9,11,14,19 25:13 29:2,10,11,19 30:2,3,8, 22 31:12,15 32:11 34:8 36:11 38:3,10,17 42:2 43:16 44:1,5,25 45:21,22 47:12,15 49:16 51:23,25 52:1 54:13,22 64:22 65:6,12 67:6,9,19 70:10, 16,18 71:22,23 72:4,10 73:9,12,13 74:1 81:11 82:18 83:2 86:19,25 87:2,12 88:18 91:4 93:10,14 96:15 97:20 98:12,25 99:2,6 100:6,11 101:11,12 102:9 103:18, 19 105:10 107:3,9,23
common 12:20,21 20:1 87:8,9,10	competing 36:16	construction 25:17	
communication 114:10,14	complete 51:2 53:21 55:17 57:3 58:2 59:3 60:5 61:4 62:1 66:22 68:14 70:2 71:8 109:7	content 113:8	
companies 12:17,18 13:19 14:2,8 15:1 18:1,18 19:12,17 20:9,13,16 21:9 22:14, 15,19 26:4,6 28:10 30:11,17 32:9 34:17 35:2 36:16 39:24 44:11 45:8 47:3 48:8,14 49:7,15 63:18 96:18,20,23 97:13, 14,22 98:2,7 100:18 102:15,17 106:17,25	completed 106:24	context 21:8 54:5 71:12 79:17 80:3 83:13,20 85:10	
	completely 45:9	continuation 7:16	
	components 66:14	continue 95:10 96:5	
company 8:22 12:13,15,16,24,25 13:3,14 15:14,18,21 17:5,15 18:10,14,19,20 19:3,18,21,23,24 20:1,4, 23,25 21:14,18 23:4,18, 21,24 24:7 26:3 30:8,10, 18,19,20 31:6,8,9,10 37:5,8,12,20,24 41:8,9, 12 44:8,9,10 49:19,20 50:7,9 51:3,22 52:10,21, 24,25 53:10,11,17 54:15, 24,25 55:5,6,19,23,25 56:3,4,8,9 57:5,12,13,16, 17,22,23 58:3,10,14,16, 20 59:4,11,15 60:17,18, 24,25 61:5,12,15,16,21 62:2,10,14,18 63:17 65:1,15 66:7,8,16,17,23 67:14,17,20,22,23 68:7, 15,19,23 69:14 70:3,5,8, 9,21,22 71:2,3,8,9,20,21 72:6,7 74:16 75:8,23		continued 40:14	
	computer 78:6	continues 24:16 38:1 44:3 70:12	
	conceivably 78:13	continuing 86:21 94:11 96:6	correcting 53:5
	conclusion 38:7	contracts 52:9 55:24 57:11 58:9 60:13 61:11 62:9 75:10 76:24	correction 12:2
	conduct 67:5	control 47:2,17	counsel 7:5 9:4,9,12 10:15 43:7 111:2
	confidential 114:7	controller 11:1	countersign 52:22 55:24 57:10 58:8 59:9 60:12 61:10 62:8
	confirm 64:8 79:11 80:8 81:18 82:14 86:23 88:7 105:15	copied 99:19	countries 23:3,9
	Confirming 41:23	copies 87:20 99:18 113:16	couple 41:5 65:25 78:4 100:1
	confusing 65:5	copy 92:7,8,11 93:25 99:21	court 9:2,13 11:13 16:17 66:12
	conjunction		

JOHN TAYLOR - 08/02/2018

i7

92:11 112:8	47:4 83:15	39:16	disagreement 17:11
cover 16:18 24:22,23 25:17	days 78:4	descriptors 94:3	discussed 10:1 103:24
coverage 25:9,11	deals 36:4	designated 9:20 32:13 46:17 63:13	discussion 17:2 42:6 66:5 88:24 92:4
coverages 25:3,7	December 16:12 50:17,21 53:18 55:11 56:19,25 57:24 58:24 60:2 61:1,21 66:20 68:8,11 69:20 79:8,12,18 80:7,14,25 81:9,16 82:7, 11,15 84:5,18 85:24 87:19 88:6,17 89:10 100:4 106:23	designators 104:21	disseminating 114:14
covered 45:10 77:12 78:13 94:14 112:4	define 89:19	designee 42:12	distinction 106:15
covers 29:22,23	defined 32:19 94:6 105:2	destroy 114:10	distinguish 36:2
cpham@fredlaw.com 112:22	definition 24:21 35:23 43:2 92:18 95:24	detail 8:17 54:5 108:16	divided 98:6
Custom 63:2,16 64:2,25 65:11, 15,19 97:5,11 102:15	definitions 27:12,13 42:16	Details 112:2	division 38:2,5,10,15,20,25 40:1, 13,18 43:25 45:3 47:22 49:20 50:8 51:3,7,8,25 52:21 53:2,3,11,16 54:18,25 55:6,18,22 56:4,9 57:5,9,17,22 58:4, 7,15,20 59:5,8,15,23 60:7,11,18,24 61:6,9,16, 22 62:3,7,22 69:15,22 70:4 74:24 75:14,21 76:6,16 78:5,8,18
customers 48:16	degrees 16:6	determine 47:18	divisions 37:12,20,24
<hr/> D <hr/>	Delaware 8:21	developed 45:6,24	document 41:7 50:2,3,11 53:15 55:3 62:21 63:9 68:3 69:18 72:4 73:15 79:3,6, 16 80:3,14 81:15 82:10, 19,23 83:1,3,6,9 84:3,22 85:3,5,8,15,25 86:3,7,8, 12,14 87:25 89:12 90:2 104:14 108:2 109:2
D&o 25:9	deletion 114:11	devices 114:13	Documentation 107:16
Danson 10:24	deployed 46:10	dictate 107:10	documents 7:5,10 8:3,5,9 11:5 12:4 39:20 49:23 65:25 69:3 84:8 88:11 113:11,14
date 14:17,20 16:9,16 18:20 19:4 20:15,20 40:17 49:21 53:12 55:1 56:5, 23,25 57:18,20,24 58:16 59:16 60:19 61:17 62:14 66:9 67:24 69:16 70:23 76:1 78:24 80:1,10,23 81:6,13 82:9,14 83:10 87:16 88:3 89:4 99:15 100:23 102:24 105:22 107:17 111:7,10	deponent 9:25 10:1 95:20	difference 29:20 35:15 40:1 54:3	dollar 32:15 103:21
dated 50:16,17 53:18 55:7 58:18 60:22 71:4	deponents 9:22	differences 90:12,21,24 91:8 93:6	dollars 102:18
Datzov 112:25	deposition 7:9,11,17 8:18,20,23 10:11,12,16 14:15 27:4 45:11 65:13 90:17 96:4 101:6 109:22 111:2,6,9 113:14	digitized 8:19	
day 7:9 45:13 56:16,19 60:1 61:20 66:17,19 93:5	depositions 113:3,12	diligently 8:2	
day-to-day	describe 104:23	direct 28:18,20 29:4,12,13,20, 22,23 30:4 32:23 33:11, 20 83:17 91:25 93:6 94:5 101:9 103:20,23 104:1,2	
	description	directions 47:10	
		directly 21:19 28:21 30:8,10	
		directors 25:9 47:2,10,18	
		disagree 27:5 43:7 86:14	

JOHN TAYLOR - 08/02/2018

i8

Drexel 16:2	eliminated 31:17,25 32:4	84:6,11 98:15 99:10 109:10	exist 27:8 75:16
Drieman 112:12 113:19	email 112:11 113:6 114:17	exact 33:25 76:1 98:1	exists 67:14,17
duly 9:16	employed 12:7 13:2 15:14 45:25	examination 7:22 10:4 54:2	explain 97:21
duties 39:13	employees 37:6,9 40:7,8,9 43:15,19 44:4,12 48:10,13 49:14, 15 76:2 77:7,23 78:8,9, 17,18	examined 9:18	explanation 102:19
<hr/> E <hr/>	employment 13:7 15:13	Examples 25:8	exposure 29:25 30:1
E&o 25:9	employs 12:12	exception 67:13 90:9	extent 38:6 46:8,9,11
e-mail 7:4 8:6 114:7,10	empowered 52:22 60:12 61:9	exceptions 74:12	<hr/> F <hr/>
earlier 10:11 14:13 32:19 54:1 55:12 93:5 94:6,7 101:6 102:20	end 7:9 18:15 20:11,12 21:15 22:11 27:21 33:8 72:12 79:18,25 80:6,22 82:1 96:10,25 101:15 107:7	Excerpt 16:15 81:13 88:3	face 83:20 99:3
earned 29:18,21,24 92:14,19 93:1,2,3,6,8,9 96:12,13 97:4,13,18,23 101:4,17, 18,23 102:6,14,18	ending 16:12 81:9 82:11 84:18 87:19,24 89:10	exclusive 36:25	facilities 43:24 63:24 64:15,21 65:9 67:4
easier 79:5	entire 15:16	Executive 58:14,19 59:4,11,14,22 60:6,14 74:10 97:7,12 102:16	facing 66:18
economy 63:21	entities 13:16 29:9 32:2 41:20 44:18,23 46:13 48:9 73:22,24,25 74:12 75:1, 9,22 76:7,8,15 77:1	Exchange 81:9	fact 8:4
educational 16:1	entity 12:11 28:21,22,24 38:5 71:25 72:2	exhibit 10:11 16:8,10,14,18,22, 23 21:16 25:21 38:18 46:23 49:18,24 50:6,14 51:13 53:9,13 54:23 55:4,17 56:2,6,18,21,24 57:3,15,19 58:13,17 59:13,17,21 60:16,20 61:14,18 62:12,15 64:13 66:6,13 67:1,21,25 69:6, 13,18 70:12,20,24,25 71:5 72:13 73:11 75:7 78:22 79:2,12,24 80:2,6, 12,21,24 81:5,7,12,14, 15,17 83:9,11,20 84:15, 17,24 85:9,20 86:1 87:14,15,17,24 88:2,5, 14,25 89:8,23 92:11 93:24 99:13,16,17 100:3 101:14,15 102:22,25 105:20,23 107:14,18 108:6,10,13 111:5,8 113:11	fair 8:21 9:7 17:1 43:5 47:20 52:3,8 54:13 88:13 113:3
effect 52:22 54:19 55:23 57:10 58:8 59:9 60:12 61:9 69:7 70:13 76:25	environment 114:16	exhibits 112:4	familiar 83:12 89:12
effective 50:15 55:8,9,10,11 56:7, 10,11,13,15,19,25 57:20, 24 58:18,21,22,23,24 59:23,24,25 60:2,25 61:20 62:18 66:19,20 67:12 68:6,8,9,11 69:19, 20 71:1 74:21 77:7,8 86:6	Epiq 9:1,3 112:8 113:6		Fax 114:2
efficiency 63:21 99:17	Erbele 112:20		February 71:4
efficient 50:5	essentially 12:3 30:16 40:9		Federal 7:2,3 8:22 9:12 10:7 11:25 12:15,24 17:4,15 18:10,14,18,19 19:3,18, 23,25 20:13,16 21:1,2,8, 11,13,17,20 22:4,8,12 24:7,16 27:25 28:4,25 29:8 34:11,20 35:7,11 36:14,23,25 37:5,8,12, 19,23 38:2,20 39:11 40:1,6,7,8,12,18,23 41:10,19 43:15,19,24 44:1,17,19,21,24 45:3 46:9,11,13 47:14,17,21, 24 48:3,5,10,12,23 49:2,

JOHN TAYLOR - 08/02/2018

i9

4,7,20 50:8 51:3,7,25 52:21,25 53:1,2,11,16 54:17,25 55:6,18,22 56:4,9 57:6,9,17,22 58:4, 7,15,21 59:5,8,15,23 60:8,11,18,24 61:6,9,16, 22 62:3,8,13,17,22 63:17,23 64:3,14,20 65:8,19 66:8,16,23 67:3, 8,22 68:6,20,25 69:16,22 70:4,9,21 71:2,8,20 72:6 74:1,7,13,25 75:13,14,21 76:2,5,6,10,14,16,22,23 77:6,9,17,23 78:5,7,8,17, 18,22 79:4,13,22 80:4,10 81:3,25 82:8,16 84:1,7, 12,21 85:13,17,23 86:11, 18,24 87:2,7 88:16,25 89:8 91:10 96:12,13,24 98:13 99:4,5,7,13 100:3, 8,9,13,17,20,21 102:7,8, 11,22 103:1,2 105:17 106:3,4,11,19 107:1,8 113:3	finding 66:1 fine 45:12 88:9 105:11 finger 83:19 firm 9:11 95:17,18 Fleming 7:24 8:2,8 9:10,19 11:13 18:21 20:17 26:18 27:2 31:19,21 32:12 33:15,17 34:3,23 35:20 36:20 38:6 39:2 40:21 41:1 42:9 45:9,14 46:3,15 48:7,18 49:9 51:17 52:5,11,15 64:5 72:14,18,21,24 76:18 77:11,20,24 78:12, 20 90:15 91:2,12 92:16, 20 93:21,23 94:8,12 95:17 96:14 97:16 99:24 101:24 104:9 109:24 focus 27:20 91:17 focusing 31:23,24 folks 14:12 follow 50:12 footnote 31:16,22 force 35:8,13 69:6 70:12 76:25 forget 52:18 76:1 forgive 68:17 forgot 19:22 form 16:11,15 30:21 49:25 106:24 107:6,7,10 forward 15:11 foundation 18:21 20:17 26:19 33:15,	17 34:3,23 35:20 36:21 40:22 46:3,15 91:2 fourth 67:3 frame 32:9 39:7 81:3 82:15 94:25 95:1 frames 33:21 43:11 France 23:15 Frederickson 9:11 free 16:23 81:18 Friedemann 112:23 front 66:12 68:3 69:17 97:10 full 39:16 69:6 70:12 76:25 92:10 108:24 109:4 function 13:12 101:9 functions 41:20,25 <hr/> G <hr/> GAAP 90:22 91:9,20 general 9:11 16:21 51:5 104:23 generally 25:16 35:25 90:14 genetically 11:9 geographic 22:24 give 13:5 24:20 38:23 41:4 93:15,18 99:20,21 101:2 giving 79:12 104:25 global	27:15,16 good 8:17 12:2 109:19 goodness 94:16 Gould 9:7 113:21 governs 99:1 grade 77:25 graduate 16:6 graduated 16:2 Grant 10:25 grants 67:8 great 10:15 19:9 20:3 50:13 60:17,23 61:5,12 74:9 114:5 greater 63:20 gross 104:17,18 group 14:22,23,25 15:6,10 17:6,16 18:1 20:10 22:15,20 36:10 38:22 39:1,10 47:3 group's 33:10 GUARDIANS 114:5 guess 26:11 106:23 guy 27:8 53:1 <hr/> H <hr/> half 13:4 15:19
---	--	---	--

JOHN TAYLOR - 08/02/2018

i10

hand 50:12 79:7 happened 20:4 hate 31:1 head 11:4 15:4 19:22 21:6,24 heading 16:21 92:13 102:6 heard 96:1 Heather 8:5 112:18 held 8:23 92:4 Hinderaker 7:1 8:1,7,16 9:6 10:3,4 27:5 31:20,24 41:4 42:3, 20,23 45:12,16 51:18 52:6,13,17 64:10 65:24 72:16,19,23 77:14 87:13, 17 88:20 89:7 90:18 92:3,5,17 93:22 94:1,10, 16 95:7,12 96:1 99:16,25 102:2 104:11 109:20 112:18 hired 13:8 history 13:6 15:16 42:11 HKLIEBENSTEIN@ MERCHANTGOULD. COM 112:19 holder 91:18 holders 91:19 holding 19:18,21,24,25 Holdings 82:25 83:4,5 85:1,5,7 86:5 home 87:21	homes 24:24 honest 68:22 honestly 43:3 hope 55:2 hour 41:2 42:10,12 house 36:5 hypothetical 48:19 Hypothetically 49:11 <hr/> I <hr/> IDEAS® 114:5 identification 16:9,15 49:21 53:12 55:1 56:5 57:18 58:16 59:16 60:19 61:17 62:14 66:9 67:24 69:16 70:23 78:23 79:25 80:22 81:6,13 83:10 87:16 88:3,15 89:3 99:15 102:23 105:21 107:16 111:7,10 identified 21:16 35:21 81:17 91:13 92:21 94:13 103:22 identifies 73:8 80:9 100:8 identify 66:14 101:16 102:25 105:24 107:18 IDS 113:22 II 51:18,20 Illinois 62:13,17 impact 75:2	in-house 9:8 INA 83:5 include 39:16 included 13:9 22:20 47:3 95:25 96:19 includes 7:6,7 10:12 50:14 53:15 56:7,24 57:20 58:18 59:21 60:22 69:18 70:25 73:7 80:12 88:14 108:2 including 99:9 114:11 income 29:25 101:17 incorrect 74:5 Indemnity 19:5,9,15,20 49:19 50:7 52:10,24 53:10,16,22 54:9,10,15,21 56:3,8 57:4,12,13 59:14,22 60:6,14 67:18,19 97:6,12 102:15 105:20 106:1 107:6 independent 34:12,13,21,22 Indiana 8:22 individual 27:17 35:25 36:6 114:12 individuals 24:23 information 7:7 86:14 insist 42:17 instance 97:14,18 102:13 instances 21:11 47:16 instructed 8:10	insurance 8:22 12:1,13,15,16,24,25 13:3,7,14,19 14:24 15:2, 14,18,21,22 17:4,5,7,9, 15 18:1,10,14,19,20 19:3 20:3,9 22:15,25 23:4,5, 18,19,21,22,24,25 24:7, 8,17,18,21,22 25:1,4,22, 24 26:1,2,8,25 28:7,10, 12 29:10,15 30:4,6,17, 18,19,20 31:8,9,10 32:8 34:10,12,19 35:2,16,18, 23 36:1,3,7,8,13,15,16, 24 37:5,8,12,19,23 38:19 39:23 41:8,9,12 42:15 43:20 44:8,9,10 45:8 46:1,2,11,12,25 47:3,24 48:4,8,10,14 49:1,7,8,20 50:9 51:3,22 52:9,20,23, 25 53:2,11,17 54:14,19, 24,25 55:5,6,18,19,23,25 56:3,4,8,9 57:5,6,11,12, 13,16,17,21,23 58:3,9, 10,14,15,20,21 59:4,10, 11,15 60:7,13,17,18,23, 25 61:5,11,12,15,16,21 62:2,9,10,13,18 63:2,17, 18 64:2,25 65:11,15 66:7,8,16,17,22,23 67:14,16,22,23 68:6,7, 15,18,23 69:14 70:3,4,8, 9,21,22 71:2,3,8,9,20,21 72:6,7 74:1 75:8,23 76:9, 13 77:1,6,9,18,23 78:19, 22 79:13,19,20 80:16 81:3,25 82:7,16,23,25 83:4,25 84:6,11,20,25 85:12,16,22 86:4,10,17, 24 87:1,7,8 88:16 89:1,8, 9,21 90:7 94:24 97:5,6,7, 22 98:15 99:14 100:3 102:22 103:1,2 105:17 106:3,5,9,17,25 107:15, 20 109:9 113:4 insured 28:23 insurers 106:16,19 intended 114:9 intercompany 31:17,25
---	--	--	---

JOHN TAYLOR - 08/02/2018

i11

interest 7:15 international 11:2 interviews 10:20 introduce 9:4 investment 13:11 82:25 83:4 involved 108:9 Isaac 8:21 9:8 113:3 issue 7:19,21 40:22 43:20 48:16,25 49:1,7 52:10, 22,24 54:19 55:24 57:10 58:9 59:9 60:12 61:10 62:9 issued 28:22 54:14 57:12 58:9 59:10 60:13 61:11 62:9 issues 52:8 item 16:21 95:8 items 31:17,25 <hr/> J <hr/> James 9:8 January 13:8 50:15 55:7,8,9,10 56:7,10,11,13,16 57:21 58:19,22,23,25 59:23,24 60:1,23 61:20 62:18 66:17,19 68:6,9 69:19 74:21 77:7,8 78:10,16 Jersey 8:24 9:17 61:15,22 62:3, 10 113:12 Jessica 112:7 113:10	Jessica.carbajales@epiqglobal.com 112:11 jobs 112:4 John 8:20 Juan 112:17 Juan.becerra@epiqglobal.com 112:17 July 69:22 June 53:17 <hr/> K <hr/> keeping 109:22 Kevin 9:11 key 79:7 kind 25:22,24 43:4 65:20 kinds 103:17 Kliebenstein 112:19 Kliebenstein's 8:6 knew 8:8 knowledge 10:8,19,21 14:6,11,14 38:9,12,13 44:20 48:13, 21,22 51:1,4 53:20 54:7 55:17,20 57:2,7 58:1,5 59:2,6 60:4,9 61:3,7 62:1,5 65:23 66:21,24 67:10 68:13,16 69:5,9, 10,11 70:2,6 71:7,11 75:16 76:21 78:21 79:11, 15 81:1 82:3,4 84:13 85:19 86:19 93:1 96:3	98:18,19 Kristin 112:12 113:19 <hr/> L <hr/> lack 36:20 large 27:17 larger 36:4 largest 17:5,15 28:6 Larkin 113:1 law 9:11 114:8 lawsuit 45:21 lawyers 25:12 leading 108:9,13 leave 7:8 left 43:4 legacy 14:3,4,5,7,8,16 15:11 20:23,24 legal 28:21,22,24 29:9 32:2 38:7 41:20 48:9 legs 43:23 Ifriedemann@fredlaw.com 112:24 liability 25:3 104:22,25 105:2 license 45:2,19 light 87:20	limit 36:24 limited 7:6 12:22 13:20 26:23 27:7,8,9,11,14 30:5 33:14,16,21 35:11 69:15 70:3 79:21 80:13,15 81:5,10,12 82:25 83:4 85:2,6 86:4,17 87:11,15, 18 88:2 lines 24:10,15 25:25 26:7,8, 13,14,15,25 27:22,25 28:7 103:17,21 104:21, 22,25 105:1,7,9 links 113:7 list 18:4 73:12 95:9 listed 18:2,11,13 22:19 25:20 26:5 76:13 77:2 96:20,24 102:6 lists 73:24,25 100:7 litigation 79:3 80:4 113:20 Ijanus@fredlaw.com 112:22 Lloyd's 66:7,16,22 67:5 74:15 load 87:20 located 28:10 78:6 long 13:2 40:15 42:11 45:13 longer 20:22,24 21:1,2 41:20 67:14,17 68:19,24 76:2 84:6 looked 65:21 74:24 75:12 105:5 Lora 112:23 Lorraine 9:3 112:3
--	--	---	--

JOHN TAYLOR - 08/02/2018

i12

losses 98:4 100:19 lost 66:1 lot 12:9,10 94:3 <hr/> M <hr/> made 61:19 99:18 109:21 Madison 8:24 mailto:kdrieman@merchantgould.com 112:13 make 76:11 87:13 93:25 103:14 106:5 108:3 makes 109:10 making 45:14 92:10 Malpractice 25:11 manage 39:12 51:21 managed 40:9 management 11:9 40:4,11,20 41:7,11, 19,25 43:21 44:18,22 46:1 47:4,21 48:5,11 49:3,6,12 51:6 53:24,25 57:4 59:3 61:19 62:2 67:11 75:13,15 76:5,7,17 89:18 management/service 58:2 manager 38:21,25 39:9 40:2 51:21,24 52:8,21 54:4,18 55:22 62:7 manages 40:23 manner 91:22	manual 90:9 Marcelo 9:1 March 71:1,13 marked 16:9,15 49:20 53:11 54:25 56:4 57:17 58:16 59:15 60:18 61:17 62:14 66:8 67:23 69:16 70:22 78:23 79:25 80:22 81:6, 13 83:9 87:16 88:3 89:3, 7 99:15 102:23 105:21 107:16 111:5,8 113:11, 14 market 28:6 Markka 65:19 match 93:2 material 90:12,24,25 materially 91:4 math 101:10 matter 8:20 45:20 60:5 61:4 65:17 71:10 90:19 112:5 matters 42:21 Mcewen 10:25 meaning 20:20 28:18 63:24 101:5 meaningful 35:15 means 32:1 93:1 114:14 measure 17:20 29:16,17 30:4 measures 17:23	measuring 22:21 29:12,13,14 Medical 25:14 medium 27:17 meet 75:9 meets 65:10 76:14 members 100:20 mention 50:1 mentioned 14:13 43:9 98:7 MERBELE@MERCHANTGOULD.COM 112:20 Merchant 9:7 113:21 Merchantgould.com 114:3 merged 19:14,19 20:22,24 merger 14:1 17:16 24:13 28:7,9 34:9 74:3,4,8,14 mess 92:12 message 114:7 messed 53:4 102:3 met 10:15 75:23 Michael 112:20 middle 32:22 Mighty 105:11 millions 32:21 33:1	mind 94:2 mine 73:19 Minneapolis 113:24 minus 101:10 minute 41:5 65:25 96:8 missing 99:23 101:25 113:14 MN 113:24 modify 42:25 moment 100:25 Morristown 7:16 8:24 move 81:20 moved 76:3 97:2 moving 71:16 MP-182592/MP-184257 113:4 Multi-page 83:9 multiple 39:2 40:21 48:18 76:18 Murphy 9:11 <hr/> N <hr/> NAIC 89:17,20 90:13 98:9,24 99:1 100:5 103:5 106:5 107:10 109:11 named 77:1 narrowed 95:19
--	--	--	---

JOHN TAYLOR - 08/02/2018

i13

narrowing 42:11 95:21 National 57:16,21 58:3,10 89:21 90:7 97:6,12 102:16 natural 41:2 nature 11:6 ndatzov@fredlaw.com 112:25 113:1 necessarily 94:21 negotiated 45:11 net 26:12,24 27:22 31:13 93:17 97:24,25 101:9 network 114:12 night 7:2,3 Nikola 112:25 normal 83:15 North 78:6,11 Northern 19:9 20:3 60:17,23 61:5, 12 74:9 Notary 9:16 note 7:1 32:4 90:2 95:7 108:3 114:7 noted 8:5 9:20 110:3 notice 9:24 10:8,12 26:10 27:4 31:16 35:22 45:11 91:14 92:22 107:5 noting 7:22 notion	96:2 number 32:15 34:7 39:11 73:24 75:12 95:13 96:19 97:24, 25 98:1,5 102:1 104:10 numbered 50:15 51:16 52:14 55:13 56:12 64:20 68:10 69:23 70:25 73:1 81:23 82:21 83:18,24 84:16,19,24 85:11,21 86:2 103:12 104:8,17 105:7 numbers 32:17 55:13,14 93:12 97:17 Nystrom 112:21 <hr/> O <hr/> Object 26:18 35:20 objecting 94:8 objection 18:21 20:17 27:2 32:12 33:15,17 34:3,23 36:20 39:2 40:21 42:10 45:13, 15 46:3,15 48:7,18 49:9 76:18 77:11,20,24 78:12, 20 91:12 92:20 94:11 96:5 objective 91:20 obligated 76:24 obligations 65:11 75:9 76:5,15 91:18,19 odd 99:18,22 office 9:12 112:9 offset 31:2 ongoing 91:21	open 7:9 109:23 113:7 operate 49:3 operating 36:9 47:5 operation 63:21 operations 63:18 67:5,17 operations-type 91:22 order 49:25 organization 86:22 organizational 78:23 79:13 105:16 organize 105:9 original 79:4 originated 113:6 OSFI 108:5 outset 109:22 Overseas 83:5 overview 13:5,6 38:24 39:8 95:9 owned 12:20 19:24 20:1 21:11, 19 owns 78:11 <hr/> P <hr/> P&c 10:23,24 14:22,23 15:6, 10 17:6,16 18:1 20:10 22:15,20 24:7 33:10 38:21 39:1,10 47:3	P.C. 113:21 p.m. 7:3 89:6 110:2,3 Pacific 19:5,9,14,19,20 20:6 22:5 49:19 50:7 51:3 52:10,23 53:10,15,21 54:9,10,15,20 67:13,16, 18,19 105:20 106:1 107:6 pages 16:19 102:1 113:15 paragraph 26:11 33:9 51:16,20 63:5,11,12,15,17,19 64:14,16,19,20,23 65:6 67:2 73:1,4 Paralegal 113:20 parent 12:20,21 17:6 20:1 87:8, 9,11 parentheses 32:22 part 15:24 16:21,23 102:20 108:12 parties 7:18 32:7,8 71:20 73:21 113:15 partner 8:5 pass 77:22 past 28:16 pay 77:25 91:19 pays 31:7 Penn 15:21 people 8:10 43:23 89:17 percent
---	--	--	--

JOHN TAYLOR - 08/02/2018

i14

<p>26:12,14,15 33:10,24,25 34:2,4,5</p> <p>percentage 27:18</p> <p>percentages 26:16,25 27:22,24</p> <p>performance 73:4 91:10</p> <p>period 14:19 19:4 20:15 29:25 30:1 34:9 40:15 74:2 80:25 81:9 84:18 87:18 88:17 106:22</p> <p>permitted 90:9</p> <p>personal 10:19 14:6,10,14 24:10, 16,21,22,23 26:1,7,13 27:16 96:3 106:12</p> <p>personnel 47:5 67:4</p> <p>Philadelphia 16:3</p> <p>Phillips 11:1</p> <p>photocopied 102:3</p> <p>phrase 14:22</p> <p>picking 11:16</p> <p>place 75:5</p> <p>plaintiff 9:7</p> <p>plan 93:24</p> <p>point 17:18 41:2 42:15 64:6 88:1 97:2 109:5</p> <p>pointed 100:2</p> <p>polices 60:13</p> <p>policies</p>	<p>22:25 23:19,22 24:1,8 29:5,15 30:5,6 34:10,19 36:1,15 43:20 46:1,11,12 47:24 48:4,11,17 49:1 52:9,23 54:14,20 55:24 57:11 58:9 59:10 61:10 62:9</p> <p>policy 28:22 29:10 30:1 49:8 91:18,19 93:4 94:19 95:5</p> <p>pool 100:13,17,20 102:20</p> <p>pools 13:12</p> <p>position 42:21</p> <p>post 16:6 111:2</p> <p>post-merger 15:9,10 17:17 18:20 19:12 20:15 22:16 26:17 27:7,9 28:12,13 33:13,21 34:19 35:1,10,11 36:12 37:2,9,23 38:1 40:14,24, 25 41:16,17,18,24 44:2, 14,21 71:13</p> <p>power 62:8</p> <p>practical 65:17</p> <p>practice 90:9</p> <p>practices 90:8,12</p> <p>practitioner 36:8</p> <p>pre-merger 15:5 34:15 35:7 37:6,11, 19 38:23 39:7 41:10 43:14,18 44:8,17 78:5</p> <p>precise 12:11</p> <p>precisely 34:6</p> <p>premium 13:11 17:21 22:22 27:22 29:10,13,14,18,21,22,23,</p>	<p>24 30:4,14,21 31:5,7,13 32:3,6,23 93:1,2,3,6,7,8, 9 94:3,4,6 95:4 97:4,13, 18,22,24,25 98:3 101:3,9 104:2,18</p> <p>premiums 26:13,24 28:16,18,20 29:4 30:23 33:11,20 92:14,18 93:17,20 94:17, 18,19,23,24 96:11,13,18 97:4 100:18 101:4,17,18, 23 102:6,14,17 104:4,16, 19</p> <p>preparation 65:13</p> <p>prepare 10:16</p> <p>prepared 10:20 42:18 89:24 90:6 92:23 103:7 108:6</p> <p>preparing 14:15 89:14</p> <p>present 9:4 11:17 14:18 48:16 91:21</p> <p>presentation 101:12</p> <p>presented 49:24 91:5</p> <p>pretty 43:2</p> <p>Previously 111:5,8</p> <p>Primarily 52:14</p> <p>principal 20:9 22:15,20,21 28:11</p> <p>principles 90:14</p> <p>printing 114:16</p> <p>prior 13:18,21 90:16</p> <p>privileged 114:8</p> <p>procedures</p>	<p>90:8,13</p> <p>proceed 16:24</p> <p>produce 8:3</p> <p>produced 7:13 33:11 49:25 79:3 80:3</p> <p>production 7:4</p> <p>Production.mpls 112:1,15</p> <p>Production.mpls@ epiqglobal.com 112:1,15</p> <p>projects 25:17</p> <p>properties 77:17</p> <p>property 13:19 14:24 15:2 17:3,9 24:23 25:2,3 38:19 46:24 77:10 104:22 106:9,15, 19,25</p> <p>property-type 25:7</p> <p>protected 114:8</p> <p>provide 41:19 44:17,22 63:23 64:15,21 67:3 71:21 76:25</p> <p>provided 40:12 41:11 43:24 47:21 48:11 63:20 64:2,3 65:18,20 71:25 72:6 75:22 76:6,8</p> <p>provider 72:1,9</p> <p>providing 40:19 41:25 75:8 76:9</p> <p>PTY 86:6</p> <p>Public 9:17</p>
--	--	--	--

JOHN TAYLOR - 08/02/2018

i15

purpose 103:8 106:2 108:6 purposes 99:8 pursuant 47:10 59:7 60:10 61:8 62:6 66:25 75:19 put 66:12 84:16 PWC 89:24 <hr/> <p style="text-align: center;">Q</p> <hr/> Q1 107:14,22 108:17 109:2, 8 Q2 108:18 109:2 Q3 108:20 109:3 Q4 108:21,23 109:3,4 qualification 30:9 qualifications 74:17 qualify 30:10 quarrel 108:3 quarter 107:20 quarters 108:2 question 11:15,17 22:17,25 24:5, 25 25:5 27:3,6,19,20 36:22 39:8 41:16,17 43:17 44:2 45:17,18 51:15 52:16,18 53:5 63:7 64:5,7 74:18 75:17,24 76:1 82:13 83:20 90:23 93:19,23 94:2,4 95:23 96:14,21 98:20 100:15 109:14	questioning 42:13 questions 37:3 39:3 40:22 48:19 54:8,12 76:19 87:22 92:23 100:1 109:21 113:17 quick 100:25 quickly 8:10 quote 33:10 64:17 100:13 <hr/> <p style="text-align: center;">R</p> <hr/> raise 42:9 raised 27:4 rate 30:11 re-ask 52:18 read 11:21,23 39:18 47:6 52:17 71:18 82:22 97:16 101:8 109:25 reading 17:8 52:11 64:8 real 7:25 54:3 reason 8:13 65:18 86:13 recall 21:5,23 23:16 54:12 68:21 73:17 83:13 received 72:1 receives 30:20 recent 50:2 recipient 72:2,8 114:9	recipients 73:23 recite 15:15 recognize 113:8 record 7:2 9:5 11:23 17:2 24:6 31:3,4 42:5,6,8,22 66:4, 5,11 88:20,23,24 89:6,19 92:4,10 95:8 110:2 recorded 32:16 records 7:13 reduction 31:5 reference 105:1 referenced 55:14 referencing 14:25 28:24 51:10 referred 62:25 referring 105:4 refers 94:17 refrain 114:13 refresh 96:8 regard 93:24 regulation 47:19 regulators 103:9 108:5,7 regulatory 109:10 reinsurance 27:15,16 30:14,23 52:23 61:11 93:17	related 42:14 relates 91:9 relationship 12:14 relative 40:2 105:16 Reliance 15:18 remarked 111:6,9 reminder 84:17 repeat 36:22 39:5 45:16 63:7 75:11 77:15 98:20 repeatedly 96:2 rephrase 11:20 22:25 23:2 27:19 40:16 replace 93:25 113:15 reply 114:9 report 27:11,14 32:25 82:10 93:1 94:5 97:22 98:6,9, 13,23 99:3,4 100:9 102:10,20 103:4 108:23 reported 93:11 97:4,19 100:5 reporter 9:2,14 11:14 16:17 66:12 92:11 reporting 10:23,24 13:10,11 14:7, 17 26:21,22 28:16 82:15 90:13,22 91:1,6,9,10 93:12 94:19 100:23 103:8,17 104:17,18 107:6,8,11 108:4,7,24 109:4,10 112:8 reportings 95:10
--	--	---	---

JOHN TAYLOR - 08/02/2018

i16

reports 20:8 26:12 33:9 96:11,18 99:9 100:9 102:17 103:21 106:5 108:17,18, 19,21 represent 80:5,13 81:16 87:18 88:4 representation 81:20,21 88:9,12 representing 9:12 16:18 REQUEST 111:2 requested 8:4,9 required 90:13 respect 15:6 23:17 26:4,23 41:25 43:6 44:11 51:8 53:13 54:9 56:6 71:9 98:14,15 109:14,22 respective 47:2 respond 7:24 11:15 92:23 responsibilities 13:9,13,17 15:6,9,11 38:24 39:8,17 40:12 108:14 responsibility 15:5 40:18 responsible 14:16 89:16 rest 22:7 restrict 36:19 restriction 95:21 result 63:20 97:25 resulting 108:10 return 29:10 85:20	revenue 17:21 99:8 review 10:13 11:8 52:3 reviewed 12:3 88:11 risk 30:17 31:11 58:14,19 59:4,11,14,22 60:6,14 74:10 93:3 97:7,12 102:16 risks 36:5 Rivera 9:1 role 89:14 Ron 10:22 rows 105:7 Rule 9:21,24 27:4 35:21 45:10 46:4,16 90:17 91:14 92:21 95:20 run 29:18 runs 93:4 Russ 10:23 <hr/> S <hr/> safe 113:8 sale 45:8 46:1,10 49:1 80:16 95:4 sales 35:8,12 schedule 88:5 Scheduling.mpls 112:16	Scheduling.mpls@epiqglobal.com 112:16 scope 22:24 32:13 39:16 46:4, 16 77:12 78:13 90:15 91:3,13 94:9,13 scratched 53:23 SEC 16:12 82:10 Section 52:2,7,13 Securities 81:8 sell 23:18,22 24:16 25:22 26:1 43:20 47:24 48:4, 10,14,15,25 selling 80:16 sells 24:7 26:7 29:9 36:1 sender 113:8 114:10 senior 10:25 sentence 47:1 52:14 separately 43:8 September 50:16,19 83:21,24 84:5 85:10,14 series 49:23 95:18 served 7:2,3 servers 78:6,11 service 11:9,25 40:4,12 41:7,11, 19 43:21 49:3,6,12 50:7 51:2 53:21,23,24 57:3 62:12,16 63:1,16 64:25 65:10,14 66:6,15 67:11	68:14 69:13,23 70:2,20 71:1,16,25 72:2,8,9,25 73:23 74:23 75:13,15,20 served 40:10 servicer 40:3 54:4 services 39:23 40:19 42:1 44:17, 22 47:21 48:4,11,23 51:6 59:3 62:2 63:18,19,24 64:2,15,21 65:9,18,20 67:4,21 68:5 71:10,21,24 72:1,5 73:1,5,8,12 75:8, 21 76:5,7,9,14,17,22,23 77:2 78:7 set 73:2 76:23 share 32:3 98:3 shared 31:2 shares 100:18 short 41:3 show 32:5,6 41:8 81:2 95:11 showed 88:6 showing 41:6 shown 96:7 sign 52:22 55:23 57:10 58:8 59:9 60:12 61:10 62:8 109:25 signature 50:24 56:14 signed 66:17 69:21 significance 7:11 similar 63:9 73:19 80:24 106:3
---	---	---	--

JOHN TAYLOR - 08/02/2018

i17

107:7	speaking 14:12 84:17 86:16	states 18:2 20:10 22:11,15,19 25:23 26:2,5 28:6,11 33:12 34:12,21 37:6,9 43:10,14 44:7 47:23 48:4 81:8,24 98:10 99:1	35:8,12 36:14,24 38:16, 21 39:1,9,12,14 40:7,8, 10,13,23 41:21 43:10,14, 19 44:3,19,23 46:13 47:11,13,18,23 48:3,9,25 51:9 74:1,13 79:22 80:9, 10 81:2,25 88:16 91:11 96:12,24 98:10 99:4 100:8,21 101:20 102:7,8 106:4,7,10,11,18 107:1
simple 76:12	specialist 9:2	statistical 13:10	Subsidiaries' 89:2,9
simply 96:4 100:15	specialty 24:17 25:4 26:2,7,15 28:7,11 58:14,19 59:4,11 97:7	statutory 13:10 14:17 90:22 91:5, 9,17	subsidiary 12:24 17:5,15 21:1,2,8, 12 68:20,25 70:9 74:7,16 80:13 82:8,17,24 83:4,25 84:7,12,21 85:1,6,13,17, 23 86:5,11,18,24
single 29:4	specific 17:18 28:21 29:22	stay 27:18 42:17	substance 54:6
sir 12:6 68:1	specifically 9:21 41:13,18	Staying 38:18	substantive 54:3
sister 19:23 87:2,4	speculation 49:10	stock 21:12	suffers 99:17
small 27:17	spend 108:1	stopping 41:2	suggest 65:18
software 45:3,7,20,25 46:10	spent 42:12	storage 114:12	suite 8:24
sold 23:4,6,25 24:16,22 25:2, 6,17 29:5,15 30:5,6 34:10,12,20,21 36:15,16 46:12 57:11 94:19	spoke 10:22	Street 113:23	summation 101:13
solely 106:12	stacked 22:6	structural 86:22	supervision 47:1
solo 36:8	stacking 21:20	structure 79:13	supplement 92:10
Son 11:10 37:13,21,24 38:1, 4,15,20,25 39:9 40:2,19 43:25 45:2 47:4,9,22 48:5,12,24 49:2,19 50:8 51:2,6,8,24 53:2,3,11,16 54:18,24 55:6,18,22 56:4,9 57:5,8,17,22 58:3, 7,15,20 59:5,8,15,22 60:7,11,18,24 61:5,9,16, 22 62:3,7,13,17,21,22,24 63:12,25 64:4 65:21 69:15,21 70:4 74:24 75:14,21 76:6 78:5,8,17	stamp 72:14,21,22	study 16:4	supplemental 7:4
Son's 76:16	stamped 52:5 104:10	stupid 24:5	supported 78:7
sort 25:15	standards 73:4	subject 45:20 47:1,19 60:5 61:4 71:10 113:3	supposed 36:6
South 113:23	start 8:18 43:13 64:11 68:2 69:17 101:18	submission 81:8	Sureties 25:16
speak 8:13 40:19	started 15:24 64:6	submitted 89:17 103:4,10	surety 25:14,16,18,19 27:16
	state 9:17 47:19	subs 19:17	Surplus 17:24
	statement 17:12,14 29:25 79:25 80:6,22 89:24 93:8 100:4,12 102:23 103:3 105:21 106:1	subsidiaries 11:10 12:1 17:7 18:4,5, 11,13,14,19 19:2,13 20:13,16 21:13,14,16,17 22:10 23:25 25:20 27:25 28:25 29:9 34:11,20	

JOHN TAYLOR - 08/02/2018

i18

surviving 67:20	9:18	84:10 85:18 86:16 87:11	unclear 64:5,7
swear 9:14	testify 10:7,21 94:14 95:20 96:3	today's 14:15	understand 7:5 8:11 10:5,6 11:18 26:20 39:4 42:20 45:1 75:18,19,24,25 103:14 106:14
sworn 9:16	testifying 9:22,23	told 77:6 78:4 86:22 93:5 94:6 104:16	understanding 46:6,7,8 63:9 64:12 65:7 71:16,17 73:18 74:22
<hr/> T <hr/>	testimony 43:1,6	top 11:3 19:22 20:9 21:5,6, 24 50:2 82:22 101:16,19 104:5	understood 74:11 77:14
table 32:22	Texas 19:5,14,19 22:5 53:10, 15,21 54:10,15,20 66:8, 16,23 67:13,16	topic 45:10 95:23	underwrite 48:16,25 49:1 54:19
talk 78:25	text 114:11	topics 9:21,24 10:1,8,12 27:4 42:11,14,18 46:4,16 77:12 78:14 90:16,17 91:13 92:21,24 94:9,13 95:9,19,22	underwriting 39:12 92:14 101:17
talked 104:1,2	tfleming@fredlaw.com 112:23	total 33:11 104:19	unincorporated 38:5
talking 7:12,14 8:17 13:21 45:18 63:4 72:15,16 106:22	thing 9:19 25:15 55:2 94:5	tracked 8:8	United 18:2 20:10 22:11,14,19 25:23 26:2,5 28:6,10 33:12 34:11,21 37:6,9 43:10,14 44:6 47:23 48:3 81:8 98:10 99:1
tantamount 30:18	things 11:5 24:24 25:10 41:5 43:7 91:21	treated 91:16	University 16:2
tax 13:11	thousands 93:12	true 17:16 18:18 24:12 26:17 33:13 34:16 35:2 36:12 44:3 48:2 54:17 63:25 68:23 70:7	unknown 7:11
Taylor 8:14,20 9:23 10:5 16:10 49:22 53:13 62:15 66:13 80:2,24 92:25 96:7	time 7:3 8:15 14:19 17:18 18:6,22 32:9 33:18,21 34:9,24 39:7 40:15 42:4, 7 43:11 45:5 50:5 52:3 66:3,10 68:2 74:2 80:5, 25 81:3 82:14,24 84:18 88:17,22 89:5 94:25 95:1 96:5 106:22 108:1 109:21 110:1,3	Tuesday's 9:25	unpack 47:8
Technically 74:15	times 50:1	turn 20:8	USA 113:25
technology 43:24	timing 20:18	<hr/> U <hr/>	<hr/> V <hr/>
Telephone 114:1	title 11:3	U.K. 7:7,14 8:4 23:8 24:1	Vague 26:18 48:7
telling 82:23	titled 62:16	U.S. 11:5 13:9,19 14:17 38:21,25 39:9 51:9 89:1, 8 90:21,22 91:5,8 99:4 106:7,9,15,20,21,24	values 103:21
tells 38:20 71:19 73:1	To:you 112:2	Ultimate 87:9,10	versus 8:21 42:16
tend 40:5	today 7:23 10:7,12,21 12:7 17:19 20:20,21 65:14 67:12 68:19,24 69:7 70:7,13 76:4 77:8,9	ultimately 87:10 95:22	vice-president 10:23,24 11:1,2
term 35:16 93:4			video 8:20 9:2
terms 51:6 95:24 101:5			Vigilant
Terry 9:10			
testified			

JOHN TAYLOR - 08/02/2018

i19

54:24 55:5,19,25 97:5,11 102:15	write 43:19 48:16	
voting 21:12	written 22:21 26:13,24 28:16,19, 20,21 29:4,12,21,22 30:4 31:5,13 32:23 33:11,21 53:24 101:3 104:4,16,18, 19	
<hr/> W <hr/>	wrong 96:4	
wait 11:14	<hr/> Y <hr/>	
walk 63:8	year 16:12 18:14 20:11,12 21:15 22:11 27:21 29:3, 4,5,8,14,15,23,24 30:5,7 33:8 79:24 80:6,21 82:1, 11 87:24 93:3 94:20 97:23 107:7 108:24 109:4	
wanted 42:9 87:20,23	years 13:4,9 15:19 28:17 89:10	
waste 96:5	yesterday 8:6 9:20	
ways 7:21	yesterday's 9:25	
Wednesday 112:14	<hr/> Z <hr/>	
week 113:13	zeroes 33:3,5	
whatsoever 114:15		
wholly-owned 21:13,17 22:4,7,12 28:1 41:21 44:19,23 47:13 68:20,25 70:8 73:25 74:7,13 79:21 80:9 81:2, 25 85:1 86:5,10,18 88:16 100:21		
wise 27:8 53:1		
withdraw 51:13		
Woodward 9:8		
word 16:25 21:8 31:1 53:23		
words 53:4		
work 50:4 108:9,13		
working 24:21		
works 33:4		